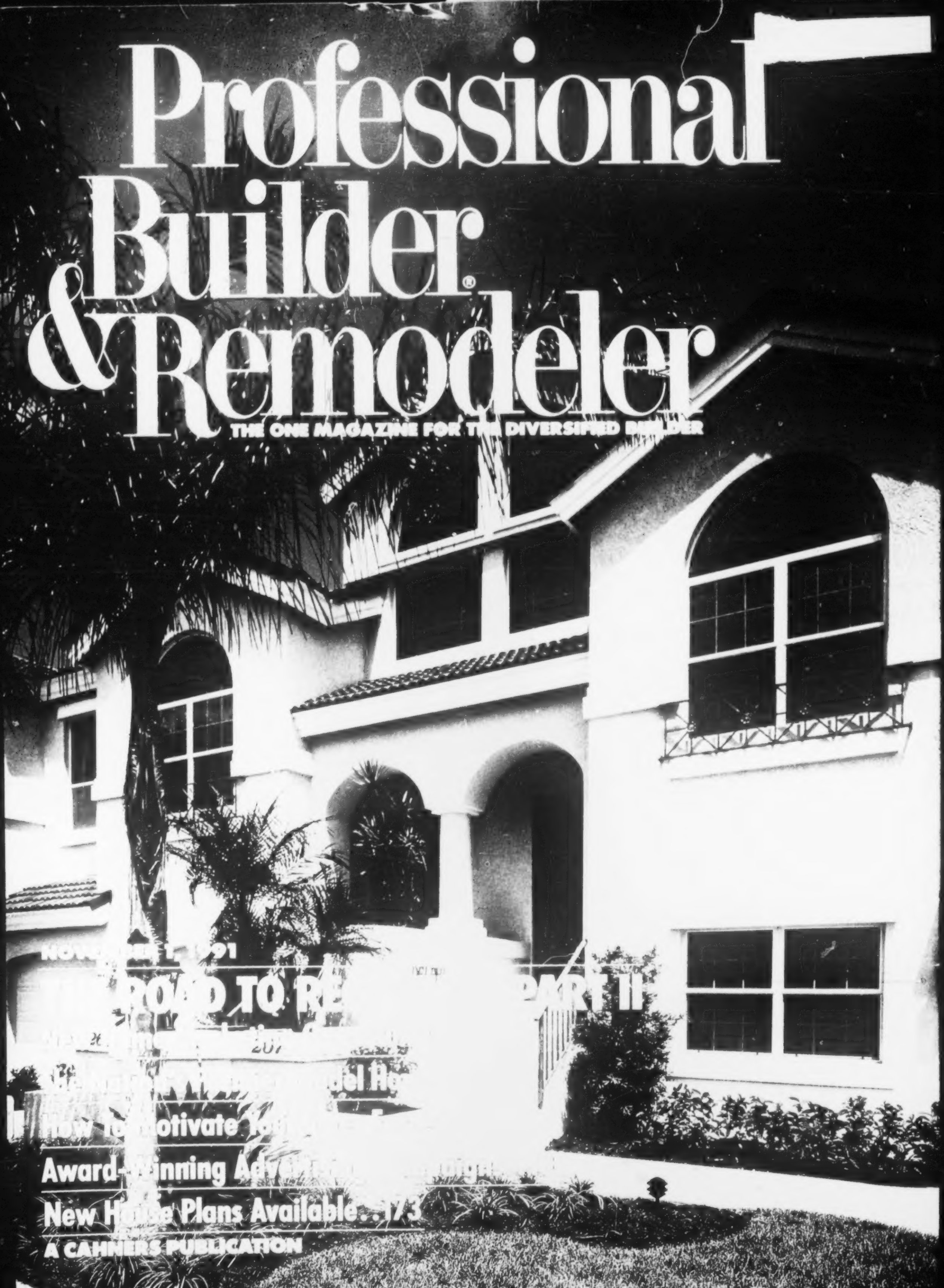
Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER



NOVEMBER 1, 1991

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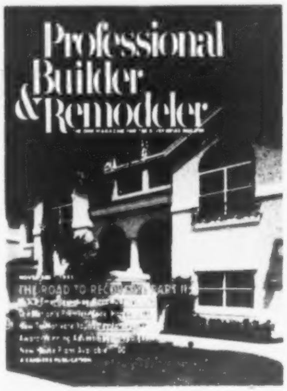
THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER



On The Cover

■ Stanley Development Corp., Naples, Fla., created attractive fourplex units (128 units on 13.4 acres) for the Colonade at Park Shore, selected as one of *PB&R's* "Best Model Homes" for 1991. It was designed by Quincy Johnson & Associates, Boca Raton, Fla. Interiors were merchandised by Design I of Los Angeles. Photography by Charles Wilkins. Story begins on page 76.

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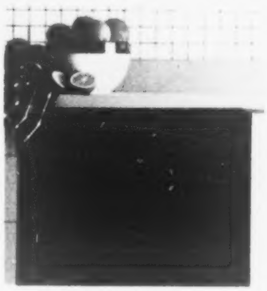
NOVEMBER 1, 1991

At $94,800 We're Creating A New Spirit At Hunter's Green.
Preview Opening Prices.
Single Family Homes Including Homesite.
Limited Offering. Price
Unless We Sell-Out Fir
E S P R

The best in builder advertising: p. 100.



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■ Will HUD's new "NIMBY" report help bring about the reform of regulatory barriers to building, or will it just collect dust on shelves all over Washington: *p. 16.* In an exclusive report, a panel of 29 industry visionaries make predictions on a variety of topics: *p. 20.* In the first ever *PB&R* roundtable, our editors outline how they see the 1990s unfolding: *p. 28.*

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■ In spite of the recession, business has held its own in the upper Midwest. This year, traditional designs are helping to invigorate "Frost Belt" buyers: *p. 37.* Offices "in-the-round" have proven a hit for a Georgia-based home manufacturer: *p. 48.*

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ROAD
TO
RECOVERY

PART II: NEW HOME MARKETING

Get More From Your Sales Force

Most builders act as their own sales managers, but spend very little time at it. More than a quarter rely on general real estate brokers to staff their sales operations, even though selling resale houses is completely different—and probably mutually exclusive—from selling new homes. Fewer than 25% provide regular sales training. Salespeople are often treated as second-class employees. The selling techniques they use are often throwbacks to the 1960s.

Is it any wonder so many builders are in trouble? It's time they recognize that, first and foremost, they are in the *home-selling* business.

Nothing happens without the sell.

By William H. Lurz, Senior Editor

'If IBM trained the way this industry does, it would have been out of business years ago'

Walk a mile in my shoes. The editors of this magazine travel the country, shopping model homes. We look very much like house-hunters and we routinely experience everything in the housing sales managers' "Little Book Of Horrors":

☐ The empty sales office, complete with locked—or unlocked (which is worse?)—model homes. The sign saying, "Back at 3 p.m."

☐ The sales agent on the phone, pointing to the models, waving to be left alone.

☐ The complete lack of product knowledge: "Gee, I don't know. I've only been working here for a week."

"Buying a home is an emotional decision, and a scary one," says Atlanta-based people management consultant Martin Freedland. "When people shop for anything, they want to duck salespeople. The agent who asks, 'Can I help you?' invites the ducking response, 'No, I'm just looking.' The bigger the ticket, the more determined the ducking. And when the market is bad, a lot of our salespeople buy that line. The worse the market becomes, the more reluctant salespeople are to pursue buyers.

"The house-hunters become the master psychologists: they know how to get rid of our salespeople," Freedland adds.

"We have a major crisis in this industry," says Houston sales training consultant Tom Richey. "It is frontline sales incompetence. If IBM trained its salespeople the way the housing industry does, it would have been broke and out of business years ago."

While salespeople bemoan the presence of so many "just lookers" in the marketplace, Florida sales trainer Lou Principe says the way we treat people when they walk into model homes is the fatal error. "We treat them as traffic units or brochure counts, instead of real people who have taken time out of a busy schedule to come look at our product," says Principe.

"Instead of playing golf or staying home on your day off, do you drive to a supermarket, walk to the meat counter, look at the meat selection, then leave—without even a latent motivation to buy a piece of meat? Home buyers are the same. They come out because they need a house, or because they're somehow dissatisfied with the one they've got."

The lookers who walk into your sales office are buyers, says Principe. They've spent money as well as time to get there. Builders are just not converting them. "Many builders are still treating people the same way they did in the 1970s and '80s," he says. "But the market is far different today. I visited a project in Orlando and was told, 'I'm just a hostess, come back tomorrow.'

"That builder may have lost a $200,000 sale because a relocating client, who for two weeks planned his schedule to look for a house that day, was told by a $5-an-hour hostess to come back another time. How disrespectful can we be of our buyers' time? We are there to provide a service to the buyer, not the other way around."

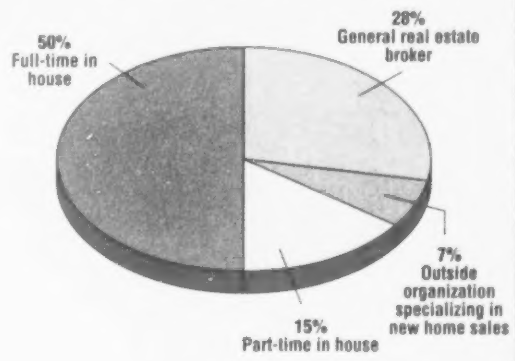
If builders treat home-hunters badly, it should not be a surprise. They treat their salespeople even worse, often attaching little importance to the sales function, secure in the belief that their houses sell themselves.

We surveyed our readers to get a snapshot of the new housing industry's current approach to sales. We found that 15% of respondents have only part-time salespeople, and 28% turn the provision of salespeople over to a general real estate broker. Most builders (62%) said they manage their own sales force, while 23% said they also leave that function to a general real estate broker. Only 12.5% said they employ a full-time professional sales manager.

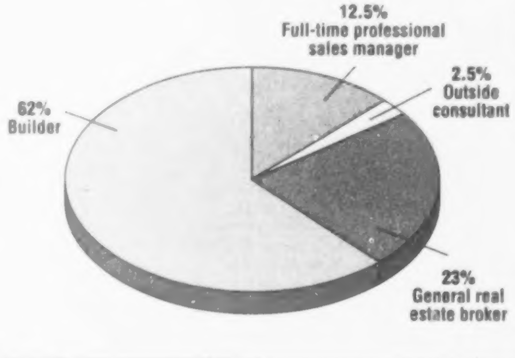
Training is at a very low ebb, with 76% of the sample saying they have no regular sales training program. The same percentage said they don't employ any special motivational perks for salespeople, such as cash bonuses, contests with prizes, trips to resorts, etc.

NAHB's Sales & Marketing Council, the Institute for Residential Marketing, and virtually every sales trainer active in the housing industry endorses "critical path" selling techniques of one form or another:

Sales Staff Composition:



Who manages sales staff?

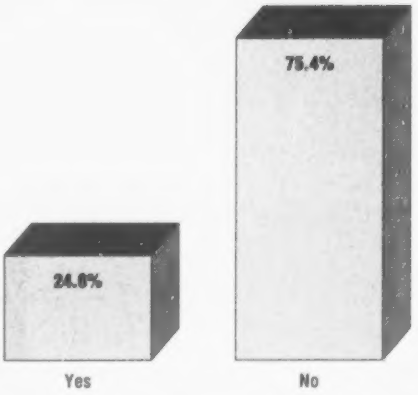


the step-by-step approach that usually begins with establishing both need and the ability to buy (qualification), then proceeds through signing of a sales contract to actual possession of a home (closing). Yet even among our respondents who said they *have* regular sales training, nearly 35% said they do *not* train in critical path selling techniques.

Would a good dose of sales professionalism cure the ills of the housing industry? "There is a lot more wrong with builders' marketing than with the market. It's not that bad," says Florida sales trainer Robert Schultz. "Woody Allen once said that half of life is just showing up. In many parts of the country, that's how new home sales were made in the 1980s. The market was so strong, all builders and salespeople had to do was show up."

Today's market is far different. Buyers are more sophisticated. With real estate appreciating at a much slower pace, and mortgage rates low and stable, the urgency that drove the 1980s market is gone. "We used to see buyers in the market for three to seven weeks, shopping five or six developments," says Schultz. "Now we see them take four to seven *months* to buy, and visit 12 to 15 places over and over again. We need to concentrate on sales management—the strategies, steps and systems used by salespeople. Just showing up won't cut it."

Do you employ special motivational perks for salespeople, such as cash bonuses, contests with prizes, trips to resorts, etc?



Sales professionals emphasize that size is no barrier to improving management of the sales process. Small builders who handle their own sales management—even close many of their own sales—can still benefit from reforming their approach. Step one, according to many, is to get the general brokerage agents out of model homes, or at least find a broker with a division specializing in new home sales.

"If you do $2 million a year in volume and are willing to budget 2% of that volume to the sales operation, you can afford an in-house salesperson," says Richey. "For $40,000, you can hire someone who will do a much better job than the succession of resale agents a general real estate broker is likely to rotate through your model. To abdicate that function to a broker is losing control where builders need it most. It's running your business by chance rather than plan."

What's so bad about real estate brokers? "I walked into a model home manned by a general brokerage agent and registered as an out-of-town transferee," says Atlanta-based consultant Pete Halter. "Rather than showing me the model and telling me the builder's story, she showed me five or six listings in her MLS book and suggested I drive by them and then give her a call at the broker's office."

Agents specializing in resale homes use entirely different selling techniques than new home sellers, says Halter. They bond with buyers, which is certainly part of the "relationship sell" favored by most sales trainers today, but that's where their common ground with new home sales ends. Builder salespeople need product knowledge and the ability to overcome objections, because they are tied to their product. They have to sell what the builder builds. Resale agents overcome objections by driving to the next listing.

"If the builder has a general brokerage agent in his models," says Halter, "he will be fortunate if that person doesn't personally *take* prospects the builder generates *away* from his models to show them resale houses, meanwhile leaving the models locked when the next prospect arrives."

The great strength of general real estate brokers is their nationwide networking of buyers. Virtually all builder sales professionals say broker co-op programs are vital in today's market, where so many builders depend on relocation buyers. But broker co-ops are better handled by in-house sales professionals who cultivate the whole brokerage community. "You can have

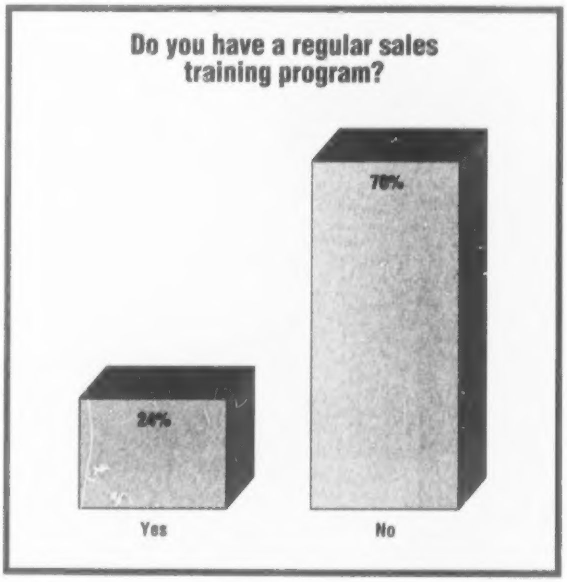
Buyers will respond to professionalism—but we're not giving it to them

a broker co-op program without getting into a war of raising commissions," says Richey. "It's how you pay—not what you pay—that gets the brokers' attention. For instance, when certain conditions are met, you can pay part of the broker's commission up front—half at loan approval, half at closing."

Builders need to write a business plan that includes both a marketing plan and a sales plan, with appropriate budgets for recruiting, training, motivating and monitoring salespeople, says Richey. "There should be 25 items, at least, in a sales plan," says Richey. "It's Business Fundamentals 101."

Large builders often spend 50% of their time on "things"—the product and its construction—and 50% on people issues, says Richey. Small builders often tilt too far toward things. "But if you spend 75% of your time away from the people side, it will suffer," he says. "And sales is a people function."

Richey says he is finding that today's best salespeople come from outside the real estate industry. "Especially from such corporations as IBM and from consumer selling, where they are trained in the basic methodology of the relationship sell. Many of the people in the real estate business now are lazy and have poor selling techniques."



Builders are not only hiring the wrong people, but also motivating them poorly, with the wrong kinds of compensation plans, says Richey. "Salespeople are often treated as second-class employees, paid on straight commission, with no benefits," says Richey. "We need to pay a base salary, plus commission to get better, more professional people, then put perks on top—continuous service bonuses, etc." Richey wants sales compensation plans that parallel those often outlined for executive compensation among Giant builders (see July 1991 *PB&R*). "If a builder has one executive it should be a salesperson," Richey says.

The relationship sell starts not with "Can I help you?" but rather with an upbeat salutation, friendly—but probing—conversation, and the assumption by the sales agent of an advisory role in the search for a home. "We need to be housing doctors," says Lou Principe.

Most sales trainers suggest this "bonding" ought to take place before demonstration of the model. "We can make understanding the lifestyle and needs of the buyer a condition to viewing the models," says Principe. "The builder spends a lot of money to build and furnish models. Shoppers recognize this and will instinctively acknowledge that the builder has the right to know about them before they see the models."

Principe asks such questions as: "Tell me the kind of home you're looking for? I can direct you to the model you'll be most interested in."

Make visitors friends, Principe suggests: "IBM says 90% of its sales are made using relationship selling techniques. I can put this into practice and amaze builders with how much information I get within three minutes, without showing a model. People arrive at the models with a housing problem. Find out what it is."

This should come as no surprise to many small builders, who instinctively have used the relationship sell to close sales of their homes for years. When visitors walk in, they treat them as neighbors—because they may well be just that—entering their own home. Proprietary pride takes over: "Let me show you what's special about my houses."

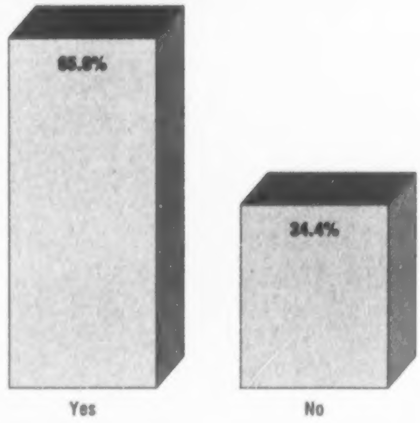
Suburban Cleveland builder Rick Puzzitiello, of Lakeland Homes, does it today. But he also lists houses in one subdivision with a general real estate broker. In another, he employs part-time hostesses to open the model when he can't be there.

He admits he uses general real estate brokers entirely to gain access to their networking of transferee buyers, not for their expertise in selling new homes.

Dallas builder Don Anderson of Darsco Inc. uses an on-site sales agent in one subdivision, and lists spec houses in another location—where he has no model home—with a Realtor. "We only have 35 lots there. It's the spec house inventory we most want to get into the MLS listings. That's where the Realtors look when they've got a prospect." Once again, it is prospecting, not sales expertise that Anderson seeks from a broker.

For such small builders, who may be hesitant to venture far from their Realtor contacts, sales professionals suggest searching for brokers with divisions specializing in new home sales and ongoing training in selling of new homes. They also suggest negotiating contracts specifying exactly what the builder expects from the broker; the hours the model will be open, the sales approaches to be used and that agents working in the model are prohibited from taking prospects elsewhere.

But that is often difficult to achieve, says California sales consultant Dave Stone. "And it's often unreal-



If yes, do you train in "critical path" selling techniques?

istic to expect that brokerage salespeople will benefit much from training. In those situations, the builder should concentrate on improving the quality of the collateral materials the salesperson uses to represent the property."

Silent sales tools, such as stickers identifying features and benefits can get the builder's message across to buyers without active help from salespeople. The builder's biography and record of expertise can be delivered in handouts. "Point-of-sale marketing needs to be very strong wherever the sales staff can't be relied on," says Stone. "I've even seen small builders use video cassettes presenting their construction quality—with segments taped at various stages, such as framing and finishing."

With so many homehunters shopping for months before buying, confusion is the biggest obstacle to closing the sale, says Stone. "People get 'house indigestion' when they see so much," he says. "Salespeople have to cut through the confusion to create an impression that fuses in the buyer's memory."

Some builders are now taking memory buttressing a step further. They create a memorable impression by doing things differently from all their competitors. Many advocate waiting until after bonding and demonstrating the model to register prospects, even though registration is vital to follow up—and constant follow up is the soul of relationship selling.

Zaring National Corp., one of Cincinnati's largest builders, disdains such industry icons as model home traps and sales offices in the garage. "Our houses usually have offices or dens that our sales associates use," says Allen Zaring. "We want our prospective buyers to walk in the front door of a house. And we like our associates to greet prospects at that front door and show them into the family room. Then they question the people about their needs. People are less intimidated. They don't like being herded around in model traps."

A house is really just another retail product in a crowded consumer marketplace, albeit a very high-ticket one. Examine how builders sell their product and one aspect certainly stands out. Other retailers keep their stores open much longer. Many builders have models—which really are "stores"—but open them only at 1 p.m. each day. In some markets, it is common practice to close models entirely on Friday.

"There's no question that *exposure* is critical," says Columbus, Ohio, niche builder Phil Fankhauser of The Epcon Group Inc. Fankhauser builds small communities of ranch condos aimed at moderate income empty-nesters. He recently opened a model at a project in suburban Columbus. Within three weeks, 47 of 48 units in the first phase were sold. "We believe in *being there* when people visit," says Fankhauser. "We are open seven days a week. If someone wants to visit after regular hours, we stay.

"Exposure establishes contact, but our buyers are very discretionary. They don't have to move at all," Fankhauser says. "We have to follow up with phone calls and letters. We maintain contact, and we are not shy about asking for the sale."

Fankhauser has weekly training sessions, which often include one-on-one role-playing, sometimes a written test. He also has his salespeople professionally shopped at least twice a year. And he hosts a dinner for all the salespeople once a month. "When times get tough, most salespeople in our business wither," Fankhauser charges. "Ours won't. They are excited and enthused. They work hard. They use good techniques. They have great product knowledge."

If every builder had such confidence in the people who sell his product, would the "bad housing markets" across this country disappear? □

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INDICATORS

Housing Market Recovery Shows Signs Of Stalling

But the interest rate cut should get things moving again and boost market psychology.

Housing starts have risen steadily since March. Even so, there were clear signs by midsummer that the gains had leveled. August starts were at the seasonally adjusted annualized rate of 1,065,000 units—only 3% above the early-summer level.

The latest annualized rate, 5.8%, was still below the year-ago level. It represented a dramatic rebound of 25.7% from the horrendous January number. The gain has come from the single-family sector. Single-family starts in August were 6.8% higher than the August 1990 annualized rate; 37.7% above the dismal January low.

Year-to-date through August, total starts were down 20.9% from the totals recorded through the first eight months of 1990. The number of single-family homes started so far this year is 12.6% fewer than a year ago, while the number of multifamily units are off by 45.7%.

Regionally, the Northeast (−16.9%) and the Midwest (−10.7%) recorded declines through the first two-thirds of the year that were less severe than the national average. The South decline has been on par with the national drop, while the Western region has fared the worst with 29.5% fewer housing units having been started through the first eight months of 1991. □

Interest Rate Declines Will Help

The Federal Reserve Board's move in mid-September to lower both the discount and the Fed funds rate should prove to be "just what the doctor ordered" to get the stalled housing market recovery moving again.

Although the interest rate cut is marginal—and builders and prospective buyers are facing a multitude of problems beyond the simple cost of money—it should be just catalyst enough to get things moving again and to boost market psychology.

The lower discount and Fed funds rates will take a while to filter down. The "downpayment crunch" continues for prospective home buyers. The "credit crunch" also persists for home builders—but at least this one variable will contribute toward re-establishing some forward momentum to the market. □

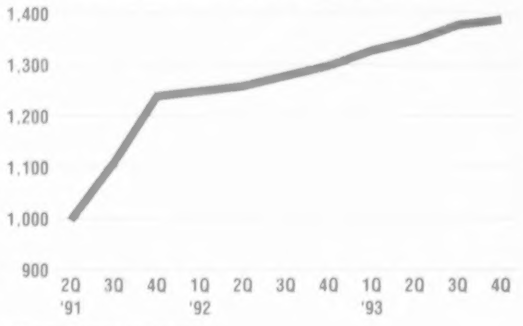
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Portland, Maine	-16.3%	$88,995	-15.8%	-5.1%
Harrisburg, Pa.	-15.8%	$86,660	+11.2%	-0.5%
Orlando	-25.0%	$91,140	-9.2%	-0.4%
Knoxville	-20.3%	$70,370	+2.8%	-1.5%
San Antonio	-0.1%	$62,491	-10.4%	-0.3%
Milwaukee	-0.3%	$110,812	-0.7%	+0.3%
Omaha	+5.8%	$73,282	-7.0%	+4.9%
Salt Lake City	+24.3%	$90,551	-21.9%	+3.3%
San Diego	-12.0%	$171,186	-16.9%	-0.9%

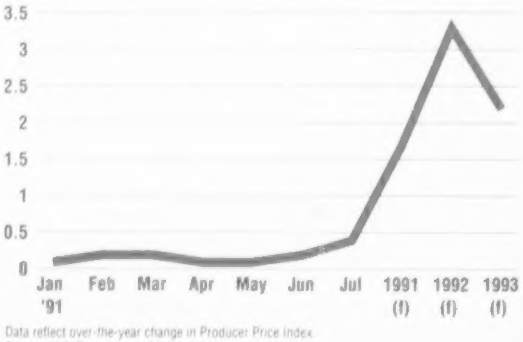
Sources: U.S. Departments of Commerce and Labor

Housing Starts Forecast By Quarters



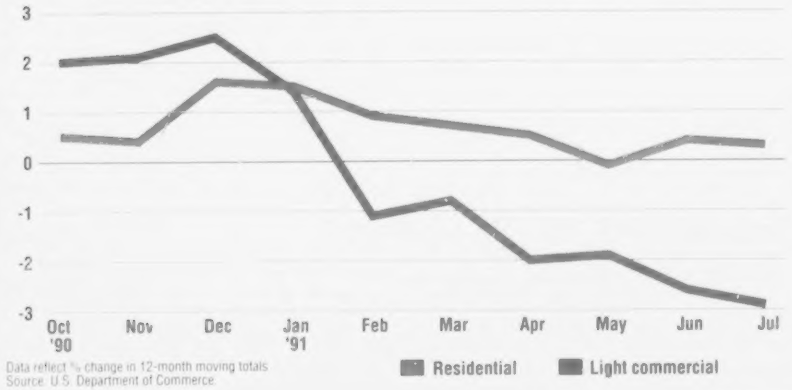
Data presented in thousands of units.
Forecast: Cahners Economics

Construction Materials Price Trend



Data reflect over-the-year change in Producer Price Index.
Source: U.S. Department of Labor

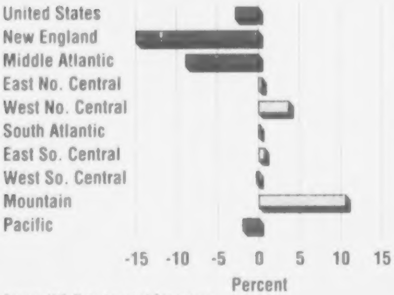
Remodeling Permit Trends–Residential & Light Commercial



Data reflect % change in 12-month moving totals
Source: U.S. Department of Commerce

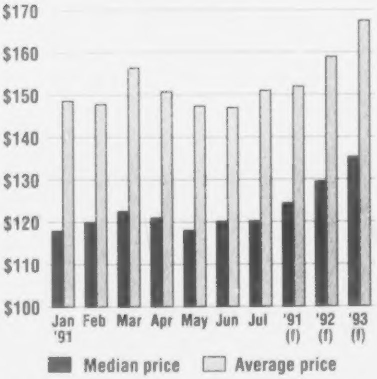
Residential Remodeling Permit Trends

(Year-To-Date 1991 vs. 1990)



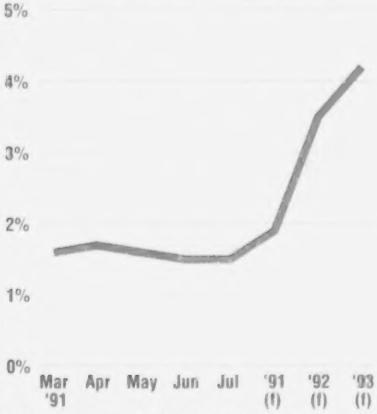
Source: U.S. Department of Commerce

Sales Prices Of New Single-Family Homes



Data in thousands of $
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Construction Labor Costs



Data reflect over-the-year change in average hourly earnings
Source: U.S. Department of Labor. Forecast: Cahners Economics

Key Market Trends

	Jul '91	Nov '90
Total housing starts*	1,070,000	1,130,000
New home sales*	472,000	480,000
Remodeling permit trend	+0.3%	+0.4%
Consumer confidence index**	77.7	61.7
Median new home price	$120,200	$118,900
Fixed-rate mortgages	9.58%	10.01%
Construction wage trend	+1.5%	+1.8%

* Seasonally adjusted annual rate.
** 1985 = 100.

Top 10 Areas For Remodeling Work

Through the first two-thirds of this year, the following areas were estimated to be the metropolitan markets with the highest dollar value of residential remodeling work:

1. Los Angeles
2. Washington, D.C.
3. San Francisco
4. New York
5. Philadelphia
6. Chicago
7. Detroit
8. Boston
9. Baltimore
10. Anaheim-Santa Ana

It's interesting to compare this list with the "Top 10" list for new residential construction activity so far this year. Only three areas—Los Angeles, Washington, and Chicago—appear on both lists. Many of the top remodeling markets this year have home-building markets that are nearly "dead-in-the-water" (see Boston, New York, and Philadelphia), but most have a large, aging stock of existing homes.

A few areas not on the "Top 10" list are nevertheless worthy of note because of their sharp gains in remodeling activity so far this year. They are cities that have enjoyed a surge in new construction activity during the last few years, activity which cooled within the last year. All have also enjoyed above-average employment and per capita income growth during the last half-decade or so. The "fast-charging" four: Honolulu (with remodeling permit values running 63.3% above the 1990 pace), Portland, Ore., (+54.7%), Jacksonville (+31.4%), and Seattle (+37.6%). □

Professional Builder
THE DIVERSIFIED BUILDER

DECEMBER 1, 1991

THE ROAD TO RECOVERY: PART

Consumer Targeting

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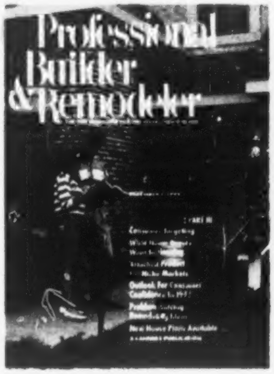

On The Cover

One of the keys to getting the industry on the "Road To Recovery" is meeting consumer needs. Our annual Consumer Survey (backed up this year with a special "Prizm" survey) can help you meet that challenge. The story begins on page 76. Cover photography by Everett & Soulé.

Charting the needs and wants of consumers: p. 76.

Marketing ideas: p. 43.

FEATURES

Attached Carves Profits In Niche Markets 64

Whether for sale or for rent, attached housing has appeal. In this story, you'll find five examples of successful multifamily communities that are meeting pent-up demand with targeted segments.

18th Annual Consumer Survey 76

This special 18-page report, created in conjunction with National Family Opinion Inc., highlights the results of our exclusive survey of potential homeowners and their design, marketing and product preferences.

Twelve Consumer Markets To Target 94

Here's a special "geodemographic" analysis of today's new home buyers. It is a revealing portrait of the general motivations, design preferences and product desires of different cultural and socioeconomic groups.

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Trends in attached housing: p. 64.

New products & lit: p. 150.

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Business

■ How strong or weak was builder confidence this past fall? Our exclusive survey tracks varied results: *p. 14.* Congress and the White House can't get together on strategies for stimulus: *p. 20.*

Management

■ When the patriarch in a family business reaches retirement age but maintains an active role, management teams can be a successful solution: *p. 25.*

Marketing

■ Builders use food giveaways to turn broker heads toward Shakerag, a new Atlanta community: *p. 43.* Beverly Trupp gives tips to small builders who want to match up well against giant companies: *p. 46.* Masco's NAHB Show homes excite with ideas, details and exquisite design: *p. 54.*

Technology

■ Building a room addition onto a home on a sloping site posed design challenges for the remodeler and architect: *p. 139.* What's new in manufactured housing? Here's an update on recent trends: *p. 142.*

Next Issue

■ In January's NAHB Show issue, we announce *PB&R*'s 1991 Builder Of The Year as well as our Professional Achievement Award winners. Don't miss it.

BUSINESS

EXCLUSIVE SURVEY

Builder Confidence Improves, But Overall Outlook Is Mixed

Business picked up slightly in the second half, but uncertainty lingers.

Western builders reported the strongest business increases during the second half of 1991, well ahead of their counterparts in other locations around the country.

According to an exclusive *PB&R* survey of business confidence taken in late September, 56% of those building in the West said business increased, while only 8% saw it drop significantly. In the North Central region, 40% of builders said business increased, while 36% of those operating in the Northeast saw gains. The hardest-hit area was the South: only 32% saw a business uptick, while 28% said business decreased.

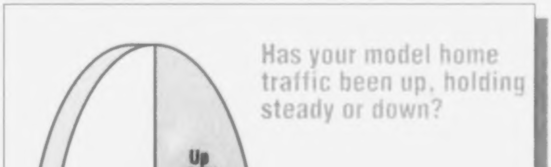
Half of all multifamily builders said business increased during the second half of the year, while 40% said it remained the same. More than 47% of custom builders saw an increase, as did 41.4% of non-residential remodelers, 36.2% of residential remodelers, 33.3% of single-family builders, and 30.4% of non-residential builders.

Only half the builders in all parts of the country expect business to increase in 1992. Those involved in the custom building segment are the most optimistic about 1992 increases, as are those operating in the South.

Builders base their outlook on home buyer confidence: Only 15% rated customer confidence as high; 47% said it was moderate; 31% said it was low or uncertain; and 7% said there was no confidence at all.

The biggest factor affecting consumer confidence is the state of the economy, according to 75% of builders. Another 21% said consumers are most concerned about losing their jobs.

Several builders said consumers are most concerned that the value of their home will depreciate. Others mentioned concerns about taxes, pricing and their ability to qualify for financing.



Source: 1991 PB&R Business Confidence Survey

Twenty percent of home builders said model home traffic was up in the second half of 1991. However, only 15% said the percent-of-sales/traffic ratio was up; nearly half said it was holding steady, and 34% said it was down.

What's more, only 26% of respondents said they were using any incentives to help turn lookers into buyers.

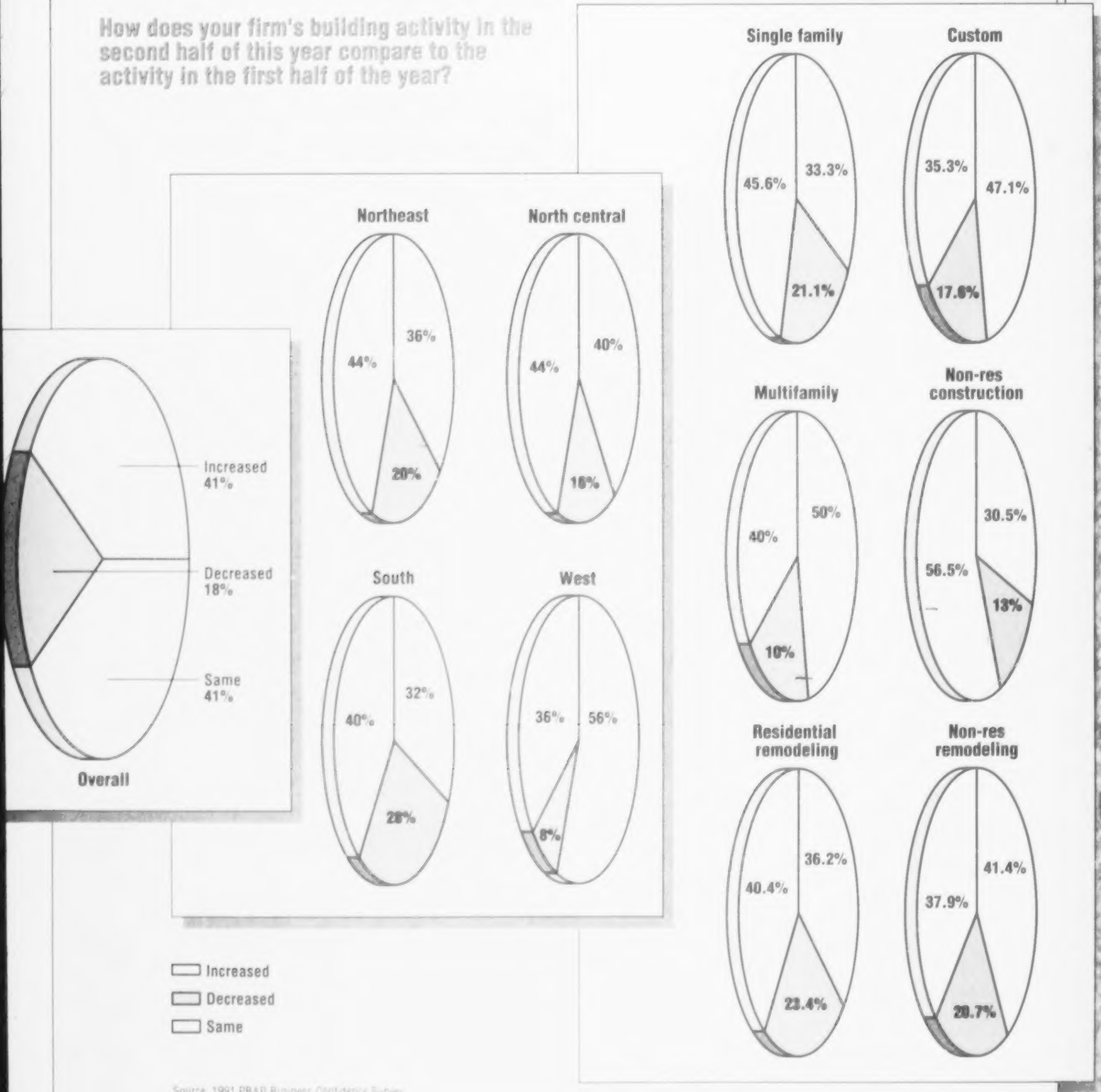
Builders who use incentives suggested a variety of programs. One is adding free kitchen appliances and carpeting, while another is putting furniture, window treatments and wallpaper into the home.

Other builders emphasized help with financing: paying points, closing costs and upgrades, or working with banks for loans for the home buyer. For the last three to four months, one builder said he had paid points, closing costs and upgrades in landscaping and appliances.

Over half of all survey respondents said they are trying to hold the line on prices—especially those in the South and North Central regions. On the other hand, 72% of build-

Continued on page 16

How does your firm's building activity in the second half of this year compare to the activity in the first half of the year?



Source: 1991 PB&R Business Confidence Survey

The percent-of-sales to traffic is off for many builders, but only 26% of them are using incentives

Continued from page 15

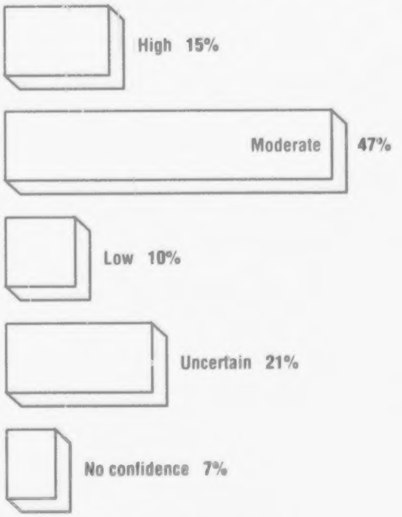
ers in the West and Northeast said they aren't trying to hold down prices at all.

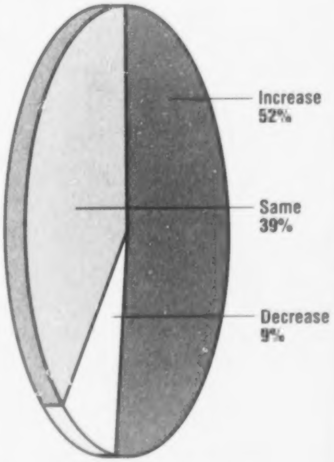
Suggested techniques to hold down costs include: buying larger quantities to hedge higher prices and take advantage of volume discounts.

The "credit crunch" continues. Only 13% of builders reported success in changing their approach to acquisition, development and construction (AD&C) financing. One builder turned to limited partners as investors; another is getting involved in limited partnerships; others said they are using joint venture contracts where they become partners with the land owner.

By Dan McLeister, Senior Editor

How would you rate consumer confidence?



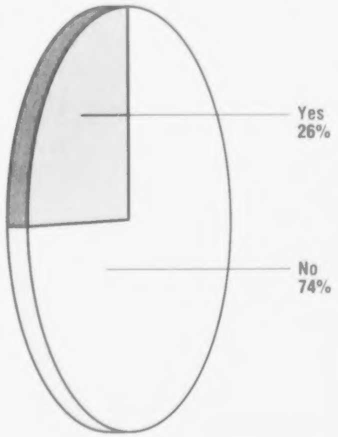


How will business fare in 1992?

Source: 1991 PB&R Business Confidence Survey

Creative Incentives Being Used

- Adding free kitchen appliances and carpeting for new buildings
- Furnishing home with furniture, window treatment and wallpaper in all rooms
- Offering free membership in the golf/country club
- Creative advertising–giving coupons with reduced prices on some products
- Giving energy–efficient glass in windows at no extra charge
- Offering paid points, closing costs and upgrades in landscaping/appliances
- Working with banks for loans for our customers



Are you using any incentives to turn new home shoppers into buyers?

Source: 1991 PB&R Business Confidence Survey

Techniques To Hold Line On Prices

- Buy larger quantities of materials to hedge higher prices and also to take advantage of volume discounts
- Split the cost of excess (overruns) with the manufacturer
- Buy directly from the lumber mills to get the lowest prices available
- Prepay suppliers to hedge price increases

■ REMODELING

How To Develop A Strong Marketing Strategy

By Steve Martindale,
Executive Director,
Transferable Systems,
Columbia, Md.

Marketing is no longer a luxury for the diversified builder or remodeler. After the bombardment of TV and high-tech marketing, our culture has grown to expect a sharp corporate image as part of what they view as "professional." With both the husband and the wife often in the workplace, people are in a hurry and don't take the time they used to take when finding a qualified contractor.

When planning a marketing budget, an additions and alterations remodeler should spend 5% of the volume he wishes to obtain in order to fill the sales pipeline. He then can level off at 3% to maintain that volume, while a single-line contractor (i.e. roofing) would need to spend 12% and level off at 8%.

Compile A Working Marketing Plan

- Company mission statement
- Unique selling proposition
- Market niche
- Market opportunity
- Market need
- Market demographics
- Monthly volume objectives
- Monthly marketing budget
- Marketing mix
- Marketing windows
- Referral marketing
- Positioning & P/R
- Image marketing
- Response marketing
- Corporate imagery

Marketing research is an essential part of any marketing plan. This would include clearly identifying the market opportunities, market niche and demographics.

Referral marketing is always essential and could include: follow-up letters; cards and visits; after-project "housewarmings" to which leads are invited; favors; referral letters; direct mail outs; newsletters; expressions of thanks for good recommendations; as well as social involvement and friendship.

Positioning P/R would include: winning design contests; association memberships; Better Business Bureau membership; P/R releases for newspaper and magazine articles; social events, charity services; photography and portfolio; and informational booklets. Image marketing involves: magazine, newspaper and yellow-page ads; office, job and truck signs; radio spots; and good fax logos.

Response marketing must be a part of your media mix whenever you want leads quickly or when your pipeline is empty. This type of marketing can be a fairly exact science—you can spend a specific amount of money and be fairly sure of how many leads you will gain. Response marketing includes direct mail, telemarketing, television, and radio (when an offer is included). Television is the best cost per lead, but its entry cost is high and leads often get burned because you get so many.

When planning direct response marketing, you'll get your highest response during planning windows—the time when people often plan and decide on remodeling projects. These are January 1st through March 1st, April 15th through May 31st, and August 15th through October 15th.

Economic Forecast Report Available

Cahners Economics, the economic research and forecasting arm of Cahners Publishing, is offering a 57-page "Outlook" report for more than 40 construction, manufacturing and service sectors. Included are forecasts for the macro-economy as well as demographic and regional trends. The book sells for $75, but readers may obtain a copy for $21, payable in advance.

Make checks payable to Cahners Economics, P.O. Box 59-New Town Branch, Boston, Mass. 02298. □

Survey Ranks Remodeling Jobs

A recent survey conducted by NAHB and Home Owners Warranty Corp. found that of the five most common renovations, adding a family/living room (average cost: $19,902) was the most expensive.

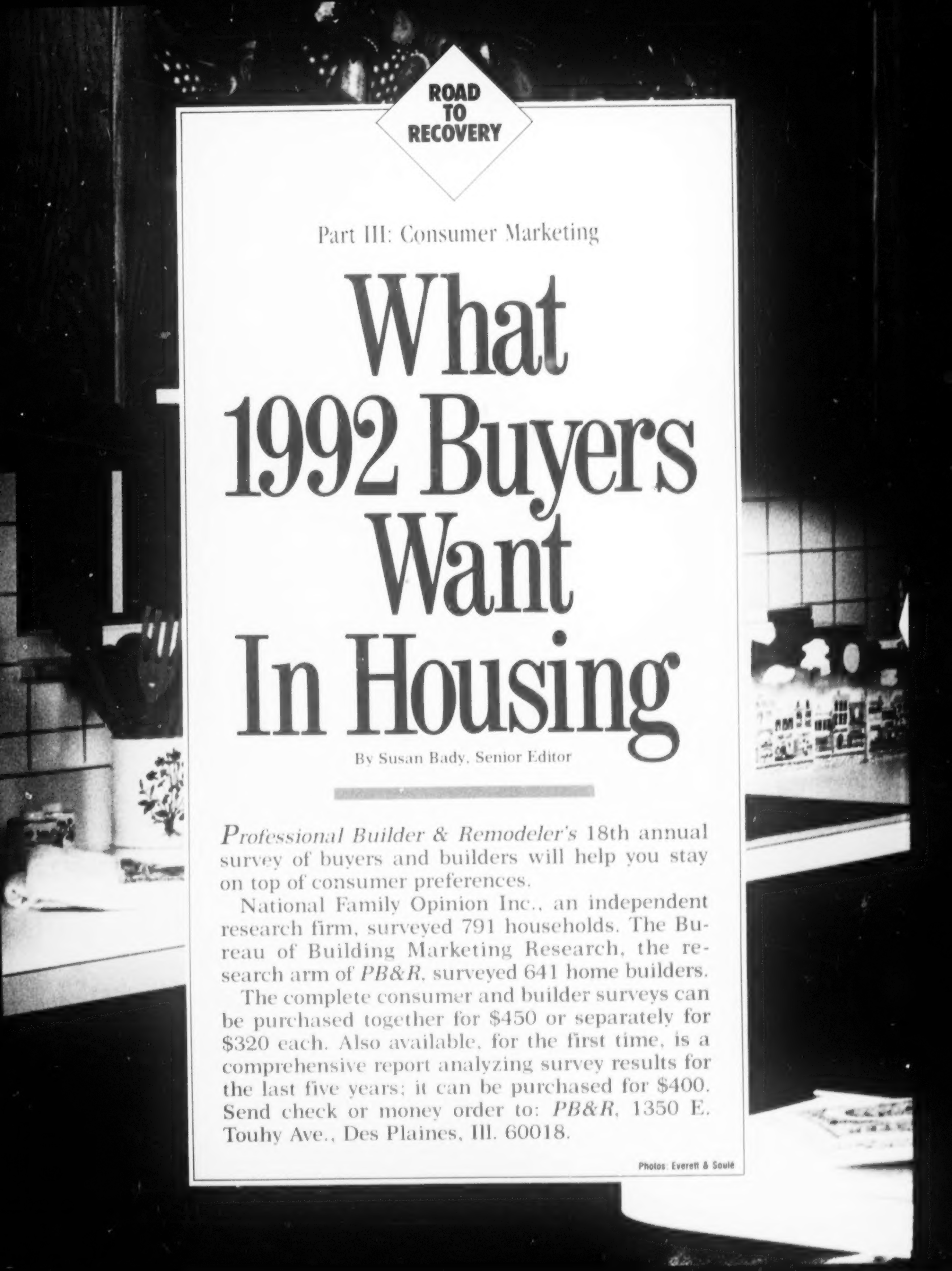
The NAHB/HOW survey was mailed to home owners completing a remodeling job worth $5000 or more and insured by HOW. Results are based on 350 responses. □

Average Cost Of Most Common Renovations

1. Added family/living room:	$19,902
2. Remodeled kitchen:	$17,592
3. Added bathroom:	$11,592
4. Remodeled bathroom:	$8,449
5. Replaced/added deck/patio:	$4,437

Renovations Ranked By Average Cost

1. Added exercise room:	$26,000
2. Added second story:	$25,857
3. Added master bedroom:	$20,850
4. Added sun room:	$20,553
5. Added family/living room:	$19,902



ROAD TO RECOVERY

Part III: Consumer Marketing

What 1992 Buyers Want In Housing

By Susan Bady, Senior Editor

Professional Builder & Remodeler's 18th annual survey of buyers and builders will help you stay on top of consumer preferences.

National Family Opinion Inc., an independent research firm, surveyed 791 households. The Bureau of Building Marketing Research, the research arm of *PB&R*, surveyed 641 home builders.

The complete consumer and builder surveys can be purchased together for $450 or separately for $320 each. Also available, for the first time, is a comprehensive report analyzing survey results for the last five years; it can be purchased for $400. Send check or money order to: *PB&R*, 1350 E. Touhy Ave., Des Plaines, Ill. 60018.

Photos: Everett & Soulé

The Composite Dream House

This portrait of the American dream, compiled from PB&R's extensive consumer survey, shows that buyers are looking for a traditional home with more square footage (in the 1990 survey median size was 1706 sq. ft.). Buyers are also becoming more sophisticated in their awareness of, and desire for, intelligent house and healthy house features.

Median home price	$96,538
Median size, detached home	1935 sq. ft.
Traditional style	45.2%
Single level	41.8%
Average number of bedrooms	3.0
Average number of baths	2.0
Full basement	80.3%
Two-car garage	59.6%
Definitely want or would like to have intelligent house features	72.4%
Definitely want or would like to have healthy house features	64.2%

Money & Motivation

The challenge in building and marketing new homes is not only to determine what consumers want, but why they want it.

Most people want to move up because they need more space. Asked what they disliked about their present home, 42% of consumers said it was too small.

Another 27.6% said location was the problem. Many are frustrated with long-distance commuting and have decided to buy housing closer to work. In this year's survey, 40.1% said 15 to 30 minutes was the maximum travel time they would accept to their jobs.

Size and price are the strongest influences on the consumer's decision to buy a home. Consumers generally want more square footage than they will actually get for their money, especially in the lower price ranges. And even though buyers have become more realistic about price, they could be shocked by what they find in the marketplace. The average price of builders' best-selling models is $201,055. That's $76,317 more than the average price consumers expect to pay.

Move-ups still dominate the housing market, with 39% of consumers seeking to move up for the first, second or third time. But there is a growing market for starter homes: 30.6% of consumers are first-time buyers, signaling a real opportunity for the builder.

Home builders will have to direct their marketing efforts toward a more sophisticated, informed consumer. Buyers are concerned about the environment and aware of how much regulations add to housing costs.

To today's consumers, value is the most important attribute of a new home—not just in terms of the deal, but also in terms of equity-building potential and tax advantages.

About 62% say that applying payments to property they own, rather than rent, is the key financial reason to buy. □

The starter home market is rebounding: 30.6% of all consumers surveyed are first-time buyers.

High Hopes

In the lower price ranges, consumers expect more house than they're likely to find. The chart below compares their expectations to the square footage of builders' best-selling models by price range.

Less than $85,000	
Consumers expect:	1562 sq. ft.
Builders' best model:	1470 sq. ft.
$85,000 to $99,999	
Consumers expect:	1841 sq. ft.
Builders' best model:	1657 sq. ft.
$100,000 to $149,999	
Consumers expect:	2016 sq. ft.
Builders' best model:	2020 sq. ft.
$150,000 to $199,999	
Consumers expect:	2207 sq. ft.
Builders' best model:	2528 sq. ft.
$200,000 to $300,000	
Consumers expect:	2611 sq. ft.
Builders' best model:	2755 sq. ft.
More than $300,000	
Consumers expect:	2725 sq. ft.
Builders' best model:	3633 sq. ft.

Solving The Affordability Crisis

Given a list of solutions to the high cost of housing, nearly half of all builders say the best answer is to relax land-use restrictions.

Potential solutions	All builders
Relaxed land-use restrictions	49.1%
Reduced labor costs	42.9%
Improved building techniques	42.6%
Decreased construction time	37.7%
Increased density	36.9%
Downsizing of units	34.9%
Innovative financing	30.7%

Size First, Then Price

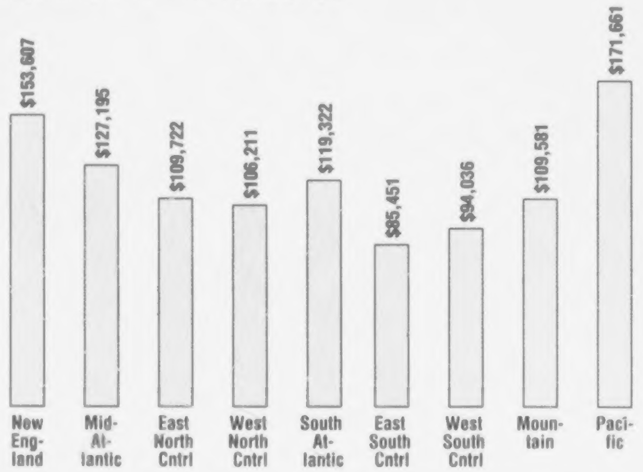
Size and price are nearly tied for first place in the list of factors buyers consider when selecting a home.

Factors in selecting a home	All consumers
Size	59.5%
Price/affordability	56.0%
Style and appearance	37.8%
Investment/appreciation	36.9%
Size of yard/lot	28.8%
Close to work	24.5%
Quality of schools	19.8%
Builder's reputation	11.8%
Prestigious neighborhood	9.9%
Warranties	9.6%
Close to shopping	9.0%
Close to public transportation	6.9%
Known brand names used	6.0%

Price Is Tied To Region

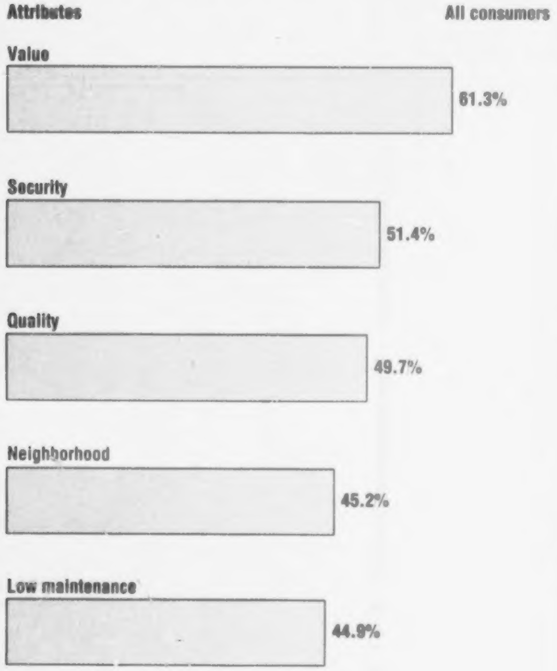
Consumers in New England and on the West Coast will spend the most for housing. Overall, the average price they expect to pay is $124,738; the median price, $96,538.

Average home price consumers expect, by region



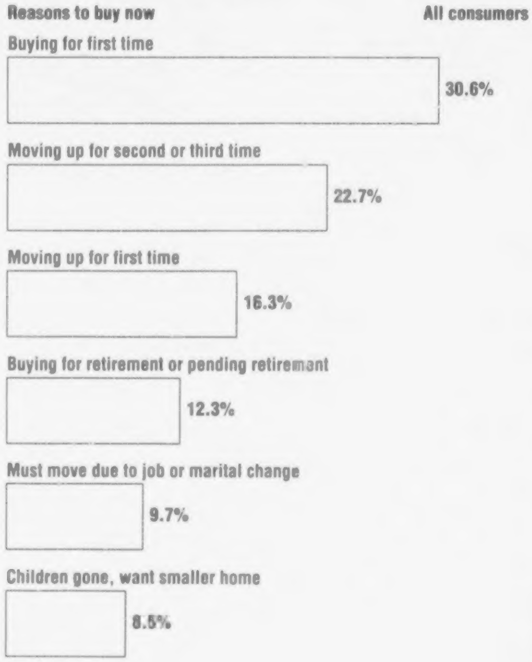
Value Tops List Of Attributes

The majority of consumers feel that value is the most important factor impacting their decision to buy.

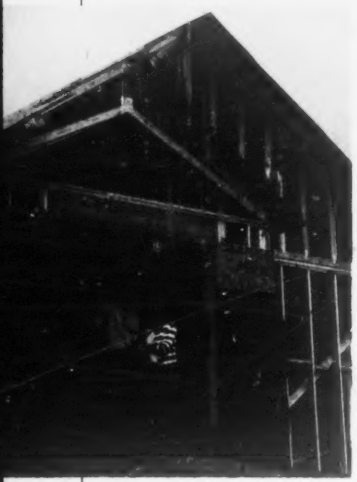


Why Buy Now?

The first-time buyer market is making a comeback: 30.6% of consumers surveyed are purchasing their first home. And move-ups comprise 39% of the current market.

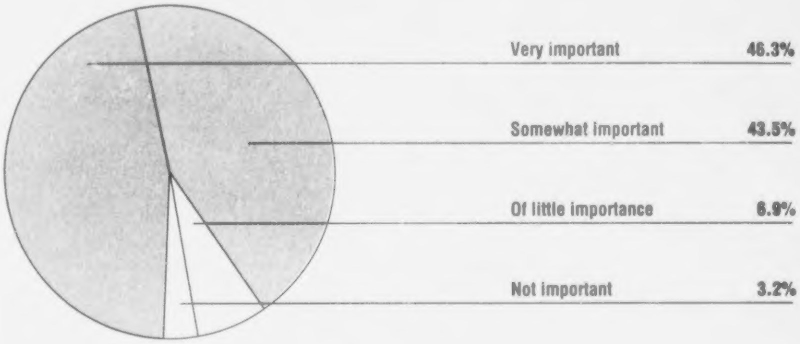


A detached home may be the dream of many consumers, but attached housing is a practical, affordable solution for others.



Save The Planet

Consumers do care about the environment. Nearly 90% consider such issues as the saving of trees and endangered species when purchasing a new home.



Ownership Is The Key

Buyers are very conscious of the financial advantages of home ownership. Building equity is another powerful motivation.

Factors	All consumers
Applying payment to property you own, rather than rent	62.3%
Creating nest egg, building equity	40.2%
Tax shelter	35.4%
Avoiding higher prices	28.3%
Hedge against inflation	14.4%
Changes in tax laws	3.8%

Price Drives Buying Decision

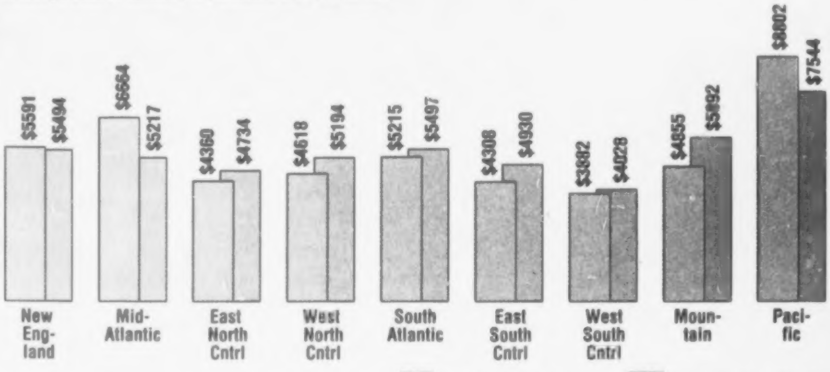
The overall price of the house and the monthly payment are the two strongest influences on the consumer's buying decision. The down payment is much more critical to the first-time buyer.

Influences	Consumers
Price of house	52.2%
Monthly payment	37.1%
Mortgage interest rate	12.8%
Down payment	8.6%

Regulations Add To The Price Tag

Overall, builders say that regulations add an average of $5540 to the cost of a new home. Consumers have become much more informed about the problem; in fact, their estimates are often higher than the builder's.

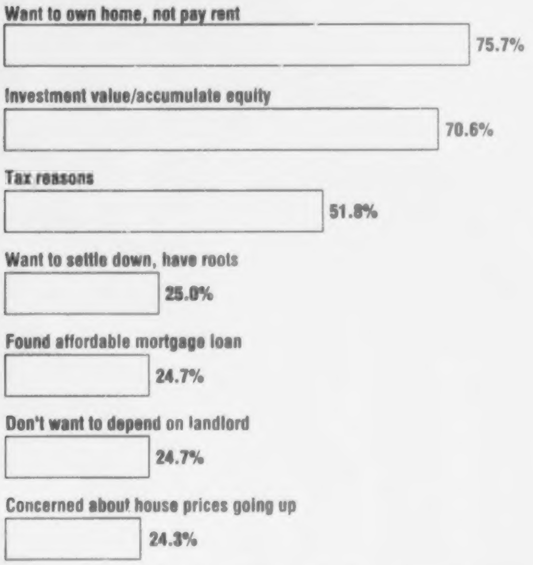
Average cost of building regulations on new homes



Better To Own Than Rent

The overwhelming majority of consumers (96.6%) consider home **ownership a desirable goal.** Nearly 86% say they don't like renting **because they get nothing for** their money. So it's no surprise that the No. 1 **reason to buy is the security and** sense of pride that comes with ownership.

Reasons to buy rather than rent



Buyers Seek Privacy

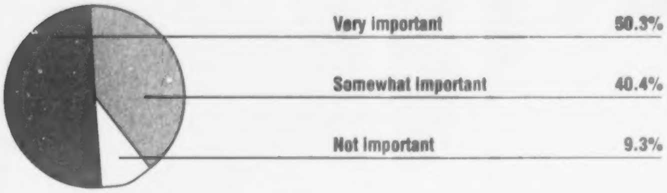
Consumers buy homes to find the security and privacy lacking in a rented apartment. They are also motivated by lifestyle: a change in marital status or plans to start a family.

Factors	All consumers
Provides security/privacy	63.4%
Conforms best to lifestyle	47.9%
Essential to raising a family	33.0%
Establishes roots in community	20.6%
Avoids dealing with landlord	16.5%
Sheer prestige of owning home	10.8%

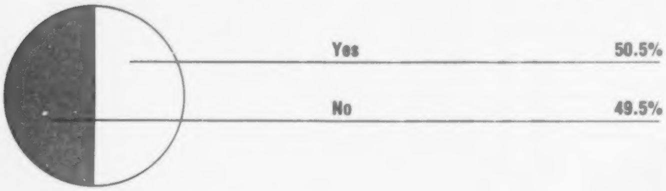
The Importance Of Warranties

An insured warranty is a marketing advantage. About half of the surveyed buyers would not consider buying a home without one. Of surveyed builders, 41% offer an insured warranty.

How important is an insured warranty?



Would you consider buying a home without an insured warranty?



Low Maintenance Sells Attached

Attached houses are attractive to consumers mainly **because they** require less maintenance than **detached** homes. Buyers also like having **recreational** facilities on site.

Reasons to buy attached	All consumers
Less maintenance	61.9%
Recreational features	33.3%
More house for the money	22.8%
Only housing they can afford	22.4%
Best way to buy first home	22.1%
Offers sense of neighborhood	18.9%
Only housing available at desired location	17.9%
Increased prestige	7.7%
Prefer cluster lifestyle	1.9%

Design

Houses are growing in size, according to 59.3% of builders. Most major living areas are staying the same, with the exception of the master suite, which is becoming larger and more luxurious.

Poor design is the reason many consumers decide to shop for a new home. Good design motivates them to buy.

Buyers are looking for more space, and more volume in living areas. Ample storage and multi-purpose rooms rank high on the list of desirable elements. As in past years, consumers prefer traditional architecture, but their concept of interior space planning leans toward the contemporary, with open floor plans and dramatic expanses of glass.

In this survey, consumers complained that their present homes lacked excitement, required too much maintenance and had old-fashioned kitchens and baths. Builders can turn them on with such design features as master retreats with sitting areas, walk-in closets and private baths, modern kitchens, and low-maintenance products and materials.

Storage is still a hot button. In this year's survey 86.5% ranked the linen closet first on the list of desirable design elements.

Consumers are sticklers for quality and energy efficiency and will demand that you back up your claims, usually in writing. They are also more interested in having adaptable features—such as wider doorways, ramps and wheelchair space under sinks—built into new homes to accommodate their future needs.

A great opportunity exists for builders who use model merchandising to suggest alternative uses for secondary bedrooms. The work-at-home market is growing, as is the number of people who prefer home entertainment to evenings out. Also, the demand for "in-law suites" is rising as consumers make aging parents and other relatives part of their households.

Design preferences vary according to buyer type and geographic region. The complete consumer survey includes detailed statistical breakdowns by age, region, income, price range and buyer type. □

Detached Still The Favorite

The detached home is still the American dream. But there is a market for attached housing and other alternatives such as log homes and factory-built product.

House type	All consumers
Detached house	77.6%
Townhouse	5.4%
Duplex	3.7%
Specialty home (log, dome, cedar, etc.)	3.2%
Mobile home	3.0%
Low-rise condo	2.4%
High-rise condo	2.4%
Modular, panelized, or pre-cut home	2.3%

How Size Has Changed

The overall square footage of houses is increasing, say 59.3% of builders, and so is the master bath and bedroom.

Size increasing	Builders
Total house	59.3%
Master bath	59.3%
Master bedroom	55.6%
Staying the same	
Dining room	71.0%
Family room	80.3%
Living room	57.0%
Kitchen	49.4%

Retirees Seek Adaptable House Features

Retirees and empty nesters show the most interest in having adaptable features in their new home, such as ramps, wider doorways and space for wheelchairs under sinks. But only 37.5% of builders offer such features.

Want adaptable housing features	% Consumers
Retirees	50.6%
Empty nesters	41.3%
Singles	25.9%
First-time buyers	21.6%
Move-up buyers	21.0%

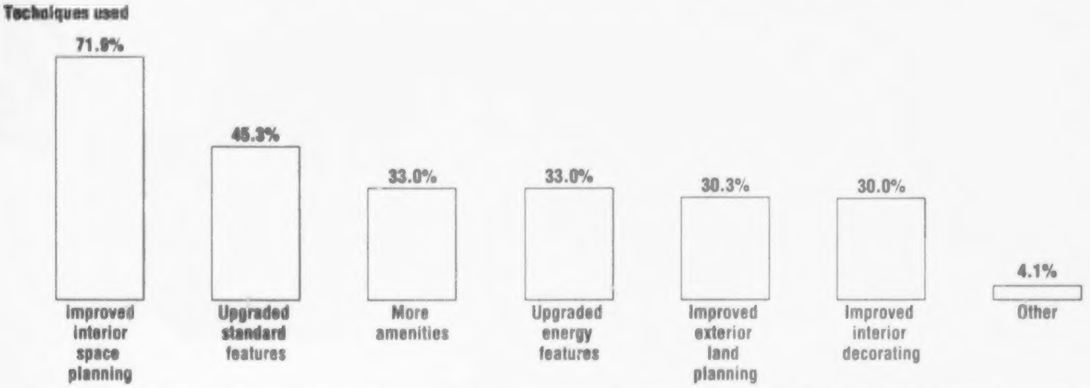
How To Sell Attached

Good design and amenities will make attached housing more appealing to buyers interested in a detached house. Privacy at the rear of the unit and energy-saving features top the list of requests.

Features	All consumers
Privacy at rear of unit	33.1%
Energy-saving features	25.7%
Offered sense of neighborhood	25.5%
Had sound control to exclude noise	25.3%
Situated in planned community	15.8%
Maintenance included in price	13.9%
Recreational facilities	13.8%
Proven security system	11.7%
Common open space	11.6%
Had units side by side	6.9%

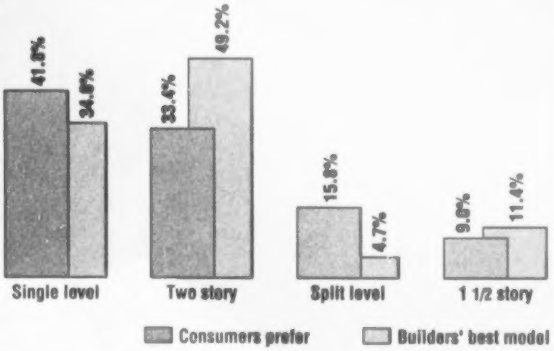
How Builders Market Smaller Houses Or Lots

Where the size of the house or lot **has decreased, builders are** putting more effort into design strategies to make housing livable.



One Level Or Two?

Most consumers say they prefer single-story homes, but builders report **that their best-selling** model is a two-story.



Put Claims In Writing

Most buyers prefer a written guarantee or warranty to back up the builder's claims about quality and energy-saving features.

How consumers determine credibility	Energy	Quality
Ask for guarantee/warranty	68.9%	68.0%
By visual inspection	61.6%	78.4%
Ask for literature	51.3%	35.8%
Ask others who bought from builder	43.7%	59.0%
Look for brand names	42.0%	30.9%
Compare with other homes	39.7%	55.9%
Get independent evaluation	39.7%	55.9%
Take builder's word for it	16.4%	17.7%
Not concerned	2.4%	1.4%

Storage is the top-rated design element. A linen closet is preferred by 86.5%, garage storage space by 80.1%, and a pantry by 76.2%.

Chapel Hill

Average: Three Bedrooms

Builders' best-selling models average 3.43 bedrooms, to be exact. Both detached- and attached-home buyers want three.

Preferred number of bedrooms	Detached buyers	Attached buyers
One bedroom	—	3.4%
Two bedrooms	11.5%	38.6%
Three bedrooms	52.4%	46.0%
Four bedrooms	31.0%	10.2%
Five or more bedrooms	4.4%	1.7%

Extra Bedrooms Are Versatile

Buyers can think of many uses for extra bedrooms. Here is a list of suggestions for marketing secondary bedrooms as specialty rooms.

What would you do with your extra bedrooms?	Consumers
Guest bedroom	62.5%
Den/library/office	52.9%
Hobby/sewing room	28.2%
Computer room	12.0%
Exercise room	9.9%
Storage	6.5%
Master bedroom retreat	2.8%
Other	3.5%

At Least Two Baths

Two bathrooms is the minimum most consumers will accept. Overall, 40.5% of builders offer 2 1/2 baths in their best-selling model.

Number of baths	Detached buyers	Attached buyers
One bathroom	3.1%	8.1%
1 1/2 bathrooms	16.3%	19.7%
Two bathrooms	39.2%	49.1%
2 1/2 bathrooms	29.8%	16.2%
Three or more bathrooms	11.5%	6.9%

Marketing The Master Suite

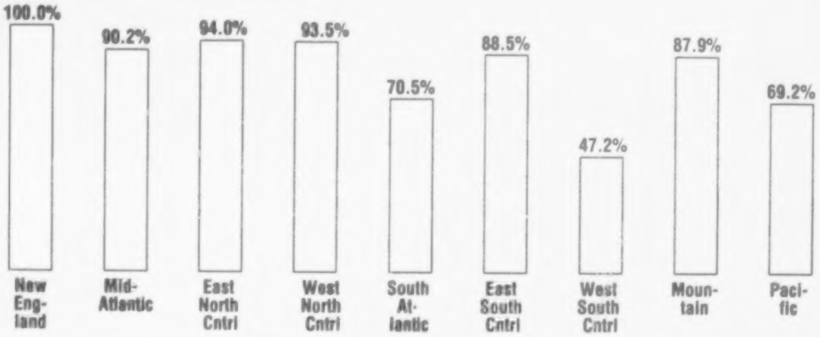
As master suites increase in size, consumers are demanding better design. A private bath and walk-in closet are two very popular features.

Elements	Consumers
Walk-in closet	80.4%
Private bath	79.0%
Separation from other bedrooms	61.5%
Dressing/make-up area	29.1%
Balcony or patio	19.8%
Mirrored doors	16.7%
Sitting area	16.5%
Fireplace	11.1%

Full Basement Is Desirable

Full basements are becoming a priority for buyers in nearly every region. Buyers in New England will accept nothing less.

Full basement as most desirable feature



Traditional Architecture Sells Best

Traditional styling is still the favorite of consumers nationwide. In the Pacific states, contemporary is more popular, while in New England, colonial styling has an edge over traditional.

Style	Consumers prefer	Builders' best model
Traditional	45.2%	48.7%
Contemporary	31.4%	22.7%
Colonial	19.0%	15.7%
Victorian	13.3%	2.4%
Other	8.4%	6.3%
Spanish	7.4%	3.5%

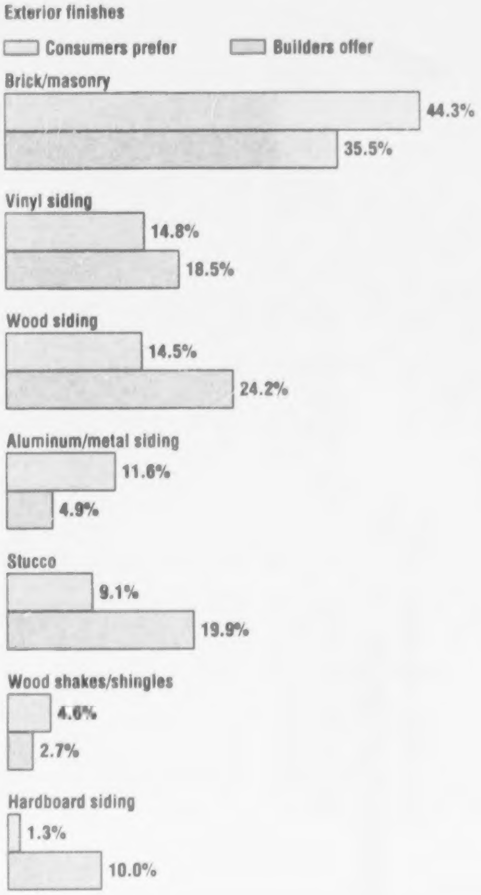
What Design Features Are Standard

Builders cater to buyers' tastes with a variety of design features, included in the purchase price. Cathedral ceilings have become a standard item in many best-selling models across the country.

Features	Builders offer
Cathedral ceilings	66.6%
Patio	65.0%
Covered entries	60.5%
Porch	60.0%
Extra storage space	52.4%
Raised, but flat ceilings	39.3%
Space for home office/hobbies	31.4%
Interior lofts and balconies	27.9%
Dramatic window treatments	22.4%
Built-in furniture	18.2%
Home entertainment center/theater	11.4%
Sun room	10.1%
Garden bath	8.1%
Home fitness center	2.2%

Brick Is Preferred Exterior Finish

A brick exterior is the most preferred finish for all consumers. In New England, buyers prefer vinyl siding, while in the Pacific states, wood siding is preferred.



Most Want Two-Car Garage

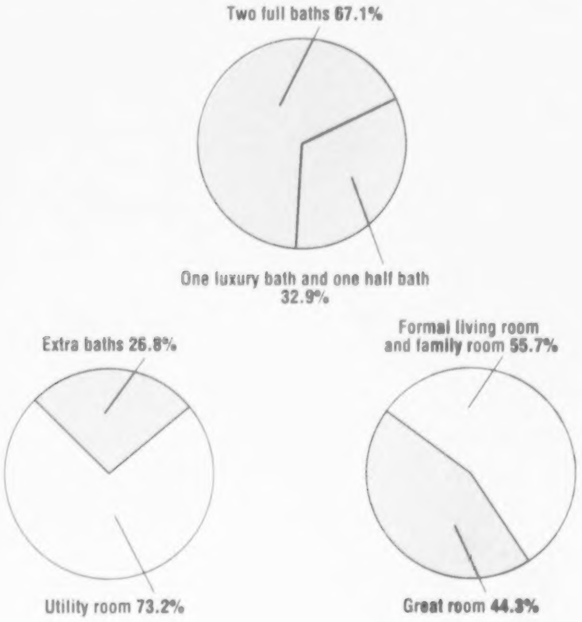
Both detached and attached buyers in every region prefer a two-car garage. In homes priced over $500,000, 57.6% expect at least a three-car garage.

Type of garage	Detached buyers	Attached buyers
One-car garage	12.0%	17.9%
1 1/2-car garage	4.9%	5.2%
Two-car garage	63.4%	46.2%
Three-or-more car garage	13.7%	5.2%
Carport	3.1%	13.9%

Sixty-eight percent of detached buyers would rather have a larger house, than upgraded amentities.

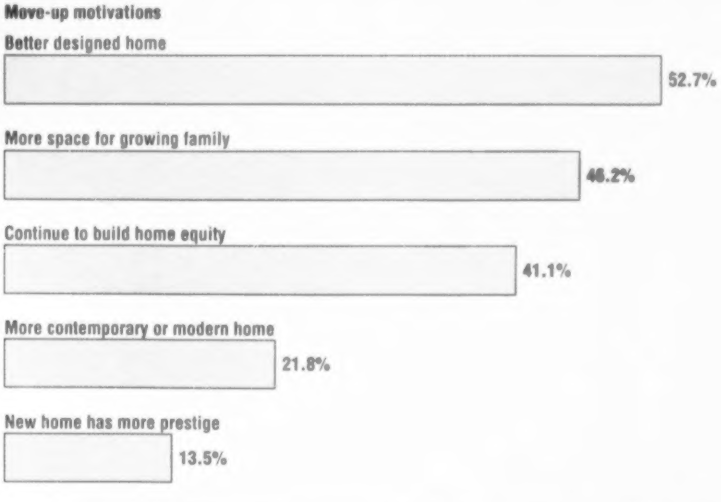
Room Size Tradeoffs

Where square footage is limited, buyers must choose what rooms or spaces are most important to them. Consumers were asked what choices they would make in each of the following cases. Responses were consistent among all buyer types, with the exception of retirees, who preferred a great room.



What Move-Up Buyers Want

Most move-up buyers are looking for better design and more space in a new home. There are some regional variances: in New England and the East North Central and South Atlantic states, continuing to build equity was chosen over the need for space.



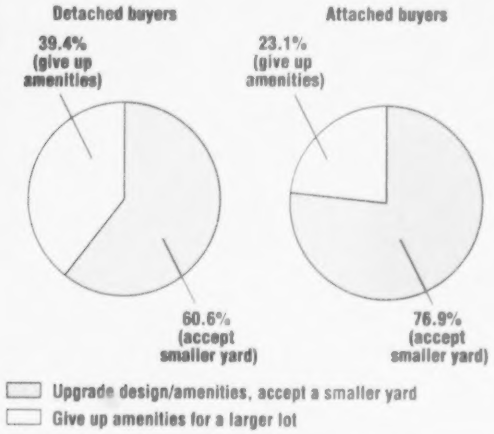
Lots Average Half An Acre

The average lot size offered by builders is 22,736 square feet (slightly more than a half-acre). Only in New England do more than 50% of builders offer an acre or more with their best-selling model.

Lot size offered with builders' best-selling model	
Under 8000 sq. ft.	18.0%
8000 to 10,999 sq. ft.	21.4%
11,000 to 13,999 sq. ft.	10.9%
14,000 to 19,999 sq. ft.	11.3%
20,000 to 39,999 sq. ft.	21.4%
40,000 to 99,999 sq. ft.	14.5%
100,000 sq. ft. and over	2.5%

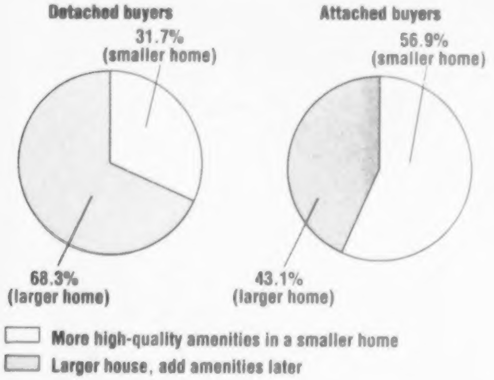
Amenities Preferred Over Land

Asked to choose between upgraded design and amenities, and a larger lot, both detached and attached buyers chose the amenities.



Home Size Vs. Amenities?

Detached buyers say they would rather have a larger home, while attached buyers go for more amenities in a smaller home.



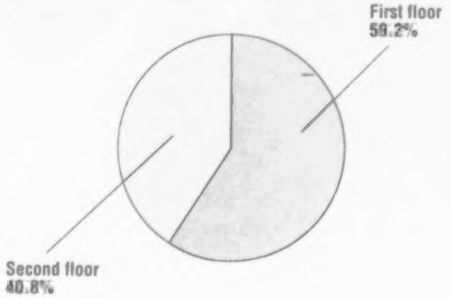
Storage Is A Hot Button

As in last year's survey, storage was ranked the most desirable design element in a new home, be it in the form of a pantry, closets or garage space.

Design elements	Consumers prefer
Linen closet	86.5%
Storage space in garage	80.1%
Pantry	76.2%
Patio	71.3%
Two closets in master suite	70.8%
Porch	69.2%
Space for family entertainment	66.9%
Covered entries	64.2%
Multi-purpose rooms	59.7%
Oversized master bath	47.3%
Cathedral ceilings	43.7%
Home office/hobby room	41.0%
Raised, flat ceilings	40.7%
Built-in furniture	36.5%
Space for formal entertaining	35.6%
Sun room	31.1%
Full-time home office	30.9%
Home entertainment center	29.8%
Dramatic window treatments	25.8%
Plant shelves/wall niches	21.5%
Interior lofts and balconies	19.7%
In-law suite	19.1%
Garden bathroom	16.6%
Home fitness center	16.6%

Most Want First-Floor Master Suite

Most consumers want the master suite on the first floor. Older buyers have a stronger preference for this arrangement.



Presentation

> **Most buyers are pleased with the workmanship and decorating of models, but almost 62% are turned off by sales tactics.**

In the increasingly competitive world of new home marketing, first impressions are everything. Builders' sales offices and model homes reflect their commitment to quality and value. Even if models are unfurnished or only partially decorated, the presentation has to be first-rate.

Fully furnished and decorated models help visualize living in the home, say 53.8% of attached buyers. But 60.6% of detached buyers feel that unfurnished or partly decorated models are sufficient.

Give plenty of thought to floor plans and kitchen design. It's these two elements that make the strongest impression on prospective buyers.

Consumers, for the most part, are satisfied with the condition and workmanship of models, but not as impressed with salesmanship. Selling tactics turned off 61.8% of the buyers who visited model homes in the last six months. The attitude and approach of the sales staff turned off 56.3% of buyers. Cost is another big turn-off.

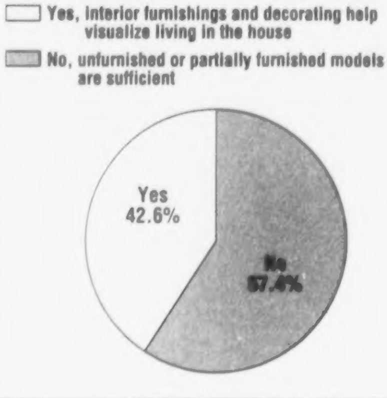
Potential customers may be walking out the door because your salespeople are too pushy, treat them like numbers instead of human beings, or display a lack of knowledge about the homes. You might try rating your sales staff according to the chart at far right.

Since nearly two-thirds of prospective home buyers get their information from real estate brokers, working closely with the brokerage community could make a big difference to a builder's sales. Open houses, incentive programs and other types of promotions have proven to be effective.

Also pay attention to your advertising, because the second most-used information source is newspaper and classified ads. Consumers don't necessarily need a lot of copy, but they do want to see what the house looks like. The price, floor plan, photo and description of the home are crucial elements of a real estate ad. □

How Important Is Decorating?

Overall, consumers feel that unfurnished or partially furnished models are sufficient. Empty nesters tend to prefer furnished models.



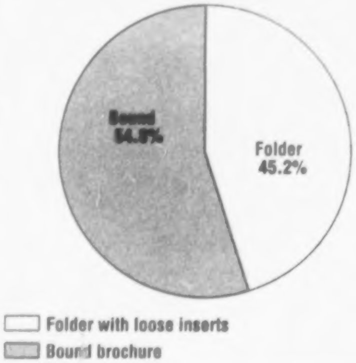
First Impressions Are Lasting

The kitchen and an open floor plan have the most effect on consumers visiting model homes.

What affects your impression of the entire house?	All consumers
Open floor plan	36.3%
Kitchen	33.3%
Master bedroom	12.0%
Living room	7.5%
Family room	7.1%
Entry	3.2%
Master bath	3.0%
Volume ceilings	2.2%
Other	4.3%

Put Effort Into Brochures

Bound brochures are more acceptable to consumers than folders with loose inserts.



Models Get Good Grades

While most consumers like the models and sales offices, many give the sales staff low marks. Cost is also a prohibitive factor.

Turned on buyers	
Condition of model	79.4%
Size of home	78.3%
Model decorating	70.3%
Workmanship of home	66.3%
Condition of sales office	62.5%
Turned off buyers	
Selling tactics	61.8%
Attitude/approach of sales staff	56.3%
Cost of home	58.5%

Tools For The Home Search

Real estate brokers and newspaper or classified ads are the most heavily used information sources. Many buyers seek a recommendation from friends.

Information sources for new homes	All consumers
Real estate broker	65.1%
Newspaper or classified ads	53.2%
Advice from friends	26.7%
Billboards/for-sale signs	19.9%
Parade of homes	12.1%
Direct mail from builders	4.7%
TV ads	1.8%
Cable TV	1.2%
Radio ads	0.5%

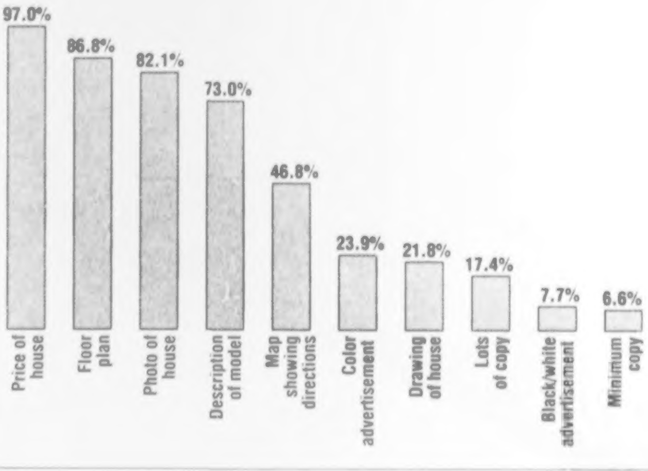
Do Your Salespeople Turn Buyers Off?

Consumers have high standards for salespeople in model homes. Try rating your sales staff, based on the chart below.

Did the sales staff:	Most	Some	Few
• Present the basic advantages of the home and community?	45.3%	40.3%	14.4%
• Point out hidden values of the home?	41.2%	40.7%	18.1%
• Point out benefits that the competition doesn't offer, without demeaning them?	19.5%	52.5%	28.0%
• Treat me like a person, with professionalism and honesty?	35.3%	49.0%	15.7%
• Use too much pressure, too pushy?	19.5%	43.4%	37.0%
• Show no interest in me as a customer?	14.2%	42.9%	42.9%
• Show they were not knowledgeable about the homes?	9.3%	48.8%	41.8%
• Ignore me and not make me feel welcome?	5.6%	37.0%	57.4%

Floor Plan, Price Should Be Advertised

A good real estate ad must include the price of the house, say 97% of consumers. Other important elements, summarized below, include a floor plan, photo and description.



Products

Builders must choose products for their new homes with as much forethought as they put into design and marketing. A good selection of products increases the buyer's perception of value.

For better or worse, consumers have come to believe that many products that would normally be options should be standard items in all price ranges. Their heightened expectations sometimes run ahead of industry practice. For example, 66.4% of consumers expect refrigerators to be a standard feature, but only 37.7% of builders include a refrigerator in the price of the home.

Today's savvy buyer is looking for a house that is intelligent, healthy, and safe. More consumers are showing a preference for intelligent house features such as security, energy management and communications, although only 24% of builders currently offer any kind of home control system.

Many builders offer some type of healthy home package. Dry basement, (a minimum level feature) is offered by 53.5% of builders, and 47.8% include no unvented appliances in the homes they build. Move-up buyers will pay the most for such features.

Including child safety features also gives builders a marketing edge. About 49% of consumers said they would pay extra for anti-scald devices in faucets; another 38.5% will pay extra for spring-loaded locks on receptacles.

Buyers are serious about the long-term benefits of energy-saving features and low-maintenance materials. About 65% said they would spend more money upfront to save in future heating and cooling costs. Nearly 56% would make the extra investment in low-maintenance materials to save more down the road.

You may gain a competitive edge by offering certain optional items as standard features in your new homes. The chart on the next page categorizes 74 options by price range. □

Consumer interest in intelligent house features is growing: 72.4% want security features, while 71.2% would like energy management features.

Standard Allowances For Products

Standard allowances for such items as lighting, plumbing fixtures, appliances and landscaping vary according to region. Averages for all builders are shown below.

Standard allowance for:	Detached	Attached
Lighting	$1663	$830
Plumbing fixtures	$3097	$1218
Appliances	$2582	$2390
Landscaping	$2824	$3346

Buyers Seek High I.Q.

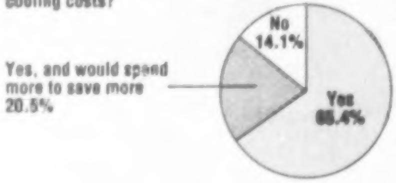
Though only 24% of builders offer them, consumers are showing a decided preference for intelligent house features. The chart below shows which features consumers definitely want or would like to have, and the average price they'll pay.

Intelligent house features	All consumers	Avg. price will pay
Security/safety	72.4%	$1020
Energy management	71.2%	$1070
Communications	48.4%	$661
Entertainment	45.7%	$664
Service/data	39.9%	$598

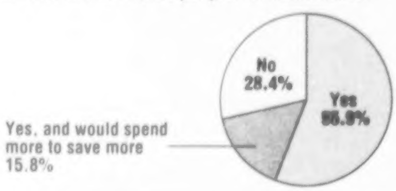
They'd Spend More To Save

To save money over the **long term, the** majority of buyers are willing to **pay more upfront** for energy-efficient products **and low-maintenance** materials.

Would you spend an extra $1500 for energy-efficient products to save $250 per year on heating and cooling costs?



Would you spend an extra $3000 on low-maintenance materials to save $500 per year on maintenance?



Safety First

Child safety features are important to all types of buyers. The chart below indicates features consumers would like to have in a new home.

Child safety features	All consumers
Anti-scald devices in faucets	49.2%
Spring-loaded locks on receptacles	38.5%
Monitoring intercom	26.3%
Lowered handrail and safety gate	26.0%
Rounded corners on countertops	12.6%

The Value Of A Healthy Home

The public's concern about environmental issues is reflected in a growing desire for healthy homes. In this year's survey, 64.2% say they definitely want or would like to have healthy home features. The tables below indicate the median price consumers will pay for those features and the percentage of builders who offer them.

Median price consumers will pay for healthy home features	
Move-up buyers	$1408
Singles	$1196
First-time buyers	$1062
Retirees	$1062
Empty nesters	$1000

Healthy home features	Builders offer
Dry basement	53.5%
No unvented appliances	47.8%
Whole house ventilation system	41.6%
Alternatives to potentially harmful building materials	28.5%
Humidity control	26.5%
Radon mitigation	25.0%
Filtration system	19.3%

Standard Features Buyers Expect

Kitchens and baths make a strong impression on the new home shopper. Builders and consumers agree, for the most part, on what features should be standard in those rooms. Bulleted items below indicate at least a 15 percentage point difference in opinion.

Kitchen features	Consumers want	Builders offer
Range/oven	91.7%	88.9%
Dishwasher	90.4%	94.8%
Vinyl floor covering	70.1%	69.6%
• Refrigerator	66.4%	37.7%
Pantry	65.8%	65.6%
Garbage disposal	64.2%	79.3%
Self-cleaning oven	63.7%	71.2%
Stainless steel sink	58.1%	60.3%
• Single-handle faucet	56.7%	85.1%
Two sinks	52.9%	41.0%
Fluorescent lighting	51.7%	48.5%
• Laminate countertop	45.2%	71.4%
Microwave oven	44.1%	55.4%
Enamel/porcelain sink	32.2%	37.6%
• Two-handle faucet	30.5%	9.2%
Ceramic tile countertop	30.2%	19.7%
Ceramic tile floors	21.1%	22.8%
Trash compactor	15.1%	15.3%
Ceramic tile walls	10.9%	6.6%
Carpeted floor	10.1%	5.8%

Bathroom features	Consumers want	Builders offer
• Medicine cabinet	87.1%	55.2%
Exhaust fan	85.7%	90.9%
Linen storage cabinets	78.5%	66.3%
Tub/shower door	67.9%	63.8%
Ceramic tile floors	50.7%	64.7%
Vanity with one bowl	49.9%	38.6%
Ceramic tile walls	45.7%	49.2%
• Safety features	40.6%	16.4%
• Vanity with two bowls	38.9%	62.2%
• Bathroom heater	38.3%	18.4%
White fixtures	36.3%	45.0%
• Colored fixtures	28.8%	49.2%
Dressing area	25.6%	32.0%
• Mirrored wall	23.2%	73.8%
Ceramic tile vanities	21.7%	30.6%
Skylight	21.3%	30.3%
Compartmentalized bath	17.7%	17.2%
• Whirlpool	14.6%	37.7%
Bidet	3.9%	4.2%
Sauna	1.4%	1.4%

About 82% of consumers will pay extra for a fireplace, an option 69.7% of builders offer as standard.

What Buyers Will Pay Extra For

Many builders have gained a competitive edge by offering, as standard, features that consumers will pay extra money for. The following list of options shows what buyers want and what's already included in the selling price.

$100 to $300 options	Consumers want	Builders offer
Energy-saving water heater	67.4%	71.6%
Smoke/fire alarm system	63.8%	82.1%
Ceiling fan	61.4%	55.8%
Self-cleaning oven	59.5%	69.5%
Outdoor lighting	51.6%	46.4%
Built-in antenna/wall jacks	51.1%	70.9%
Water-saving shower heads	39.6%	58.3%
Shower enclosure	37.7%	61.8%
Water-saving faucets	36.7%	51.0%
Dimmer switches	34.5%	33.6%
Clock-controlled thermostat	32.9%	22.7%
Closet organizers	31.2%	28.4%
Decorative exterior door	27.0%	64.8%
Gas outlet at fireplace	23.7%	33.2%
Exterior shutters	22.2%	45.7%
Patio grill	21.8%	1.9%
Sump pump	18.9%	25.3%
Separate cooktop	18.1%	—
Trash compactor	17.9%	12.3%
Mirrored doors	15.5%	—
Interior shutters	7.7%	2.1%

$300 to $500 options	Consumers want	Builders offer
Garage-door opener	54.8%	55.1%
Lawn-sprinkling system	41.8%	20.5%
Ceramic tile walls in bath	40.8%	32.5%
Storm door	40.7%	17.2%
Microwave oven	37.8%	50.1%
Built-in cabinets (not kitchen)	31.4%	24.0%
Power attic ventilator	30.5%	17.7%
Oversize bathtub	28.8%	37.8%
Ceramic tile entry	28.2%	48.7%
Patio privacy fence	24.2%	5.7%
Automatic humidifier	22.9%	9.6%
Greenhouse/planter window	22.4%	8.8%
Electronic air filter	20.0%	9.3%
Wood sliding/patio door	17.8%	77.1%

$500 to $800 options	Consumers want	Builders offer
Paved driveway	74.2%	76.1%
Refrigerator	57.2%	28.3%
Patio decking	46.2%	47.1%
Skylights	41.4%	41.5%
Extra large tub	27.6%	37.8%
Concrete patio	22.6%	52.3%

$800 to $1000 options	Consumers want	Builders offer
Upgraded carpeting	64.4%	27.2%
Double-glazed windows	49.2%	78.7%
Shelf system for closet	40.3%	49.3%
Water softener	24.1%	8.5%
Patio roof	23.8%	11.7%
Intercom system	14.7%	13.0%

$1000 to $1200 options	Consumers want	Builders offer
Zoned heating/cooling system	61.4%	48.2%
Laundry appliances	57.3%	11.5%
Central vacuum system	31.9%	15.5%
Wet bar	14.9%	17.4%
European-style cabinets	10.0%	17.7%

$1200 to $1500 options	Consumers want	Builders offer
Yard fencing	48.6%	14.8%
Tub and separate shower	47.2%	56.1%
Hardwood floors	46.4%	30.2%
Solar water heating	26.6%	0.8%
Kitchen barbecue grilltop	18.5%	16.1%

$1600 to $2000 options	Consumers want	Builders offer
Air conditioning	77.7%	73.0%
Storm windows	57.7%	22.0%
Burglar/security system	35.1%	19.3%
Insulated basement walls	29.4%	26.2%
Bay window	28.7%	34.8%
Front yard landscaping	26.1%	61.3%
Whirlpool bath	24.0%	32.9%
French doors	23.0%	36.8%
Sauna	7.0%	1.1%
Bidet	2.6%	3.2%

$3000 to $6000 options	Consumers want	Builders offer
Fireplace	82.5%	69.7%
Hot tub	26.5%	3.2%
Additional powder room	15.4%	23.7%

$6000 to $12,000 options	Consumers want	Builders offer
Complete landscaping	60.0%	63.0%
Screened porch or Florida room	56.8%	11.8%

$12,000 to $20,000 options	Consumers want	Builders offer
Recreation room in basement	54.5%	7.7%
Swimming pool	53.7%	3.0%

12 Consumer Markets To Target

A Geodemographic Analysis Of Today's New Home Buyers

Professional Builder & Remodeler's annual consumer survey report, outlined on the preceding 18 pages, documents what home shoppers will want in new housing next year. It is a revealing portrait of the general motivations, design preferences and product desires of today's typical home buyer.

This year, as symbolized by the photo profiles at right, *PB&R* has taken its research one step further to profile 12 specific consumer markets to target in 1992. To do this, *PB&R* commissioned Claritas L.P., an independent national target marketing company, to once again conduct a "Prizm" study similar to the one published in this magazine in December 1986.

Computerized results from *PB&R*'s consumer survey (conducted by National Family Opinion Inc.) have been combined with the Claritas "Prizm" geodemographic market segmentation system. The Prizm system employs a comprehensive selection of key Census Department variables to classify neighborhood or group lifestyles (detailed in the box at right). The concept is based on the principle that people with similar cultural backgrounds, means, perspectives, social values, tastes and expectations tend to live among their peers. And, these microgeographic neighborhoods or groups can be described in exhaustive detail with demographic data from the U.S. Census.

The active home shoppers responding to *PB&R*'s survey were divided into 12 Prizm classifications. Their responses to the survey questionnaire were then sorted by classification. The results—a complete profile of each of these key markets—is presented on the following pages. Included is a description of the market by age, education level, occupations, lifestyles, tastes, activities and buying patterns, as well as details on how these potential home buyers are unique.

To capitalize on this information, a builder need only know what areas his buyers are likely to come from and which of the 12 consumer profile segments predominate in those areas.

Copies of the complete Prizm report are available. Cost is $225 each. To order, send check or money order to *Professional Builder & Remodeler*, 1350 E. Touhy Ave., Des Plaines, Ill. 60018.

Photos Comstock

ROAD TO RECOVERY

A Market Segmentation System For New Home Buyers

PB&R has broken down the home buying market into 12 key buyer types based on lifestyle and neighborhood origin as determined by the following Census Department variables

- Average household size and household density of the area
- Predominant area type whether city suburb town or farm
- The area's ethnic character and ethnic diversity
- Family makeup (whether singles married couples or families)
- Age distribution and makeup
- Education level
- Occupation and employment level (white collar blue collar)
- Housing makeup of the area (whether predominantly detached or attached owner occupied or renter occupied) and
- The social rank of the area based on a weighted composite of socioeconomic variables including household income

The Suburban Elite

This group, encompassing three distinct clusters, is characterized by top socioeconomic status, college-plus educations, executive and professional occupations, expensive owner-occupied housing and conspicuous consumption levels for many products, goods and services. Representing 5% of U.S. households, the Suburban Elite contains about 32% of the nation's $75,000-plus household incomes and an estimated third of its personal net worth. The first cluster represents America's wealthiest neighborhoods, populated by high-level managers, professionals and heirs to "old money." Another cluster is dominated by childless couples living in upscale townhouses, apartments and condos, who are sophisticated consumers of adult luxuries such as apparel, restaurants and travel. Finally, there are well-educated, mobile professionals and managers with the nation's highest incidence of teenage children, living in expensive new neighborhoods in the greenbelt suburbs.

These home shoppers prefer detached housing (70.5%) but a significant number live in townhouses (18.2%). Average price sought is $217,079 (median, $161,111). Average home size sought: 2209 square feet (median 2066 square feet). Desire three bedrooms, two-and-a-half baths, full basement, two-car garage. Could afford downpayment averaging $61,944 (median $40,000). Maximum monthly payment they can afford averages $1180 (median $1183).

What Makes These Buyers Different?

☐ Lean strongly toward contemporary design (43.2%) and brick/masonry exterior finish (52.3%). Two-story houses are most popular (48.4%). Buyers say they would find attached housing acceptable if there was privacy at rear of unit (29%), a sense of neighborhood (25.8%) and sound control to exclude noise (25.8%). They find the aspect of low maintenance an appealing feature of attached homes (61.9%).

☐ Would prefer to live either in close-in suburbs (48.4%) or outlying suburbs (45.2%).

☐ Half of move-up buyers are purchasing a new home for more space. These affluent move-ups want a better designed home (56.3%) and the opportunity to continue building equity (56.3%).

☐ Reasons to buy rather than rent: 88.4% said they wanted to own property as an investment to accumulate equity. Financial factors that influence them are applying payments to property owned (51.3%) and the tax shelter aspect (48.7%). Ownership conforms best to their lifestyle (60.5%), and provides security and privacy (55.3%).

☐ The maximum commute to work these buyers will accept is between 30 and 45 minutes (36.6%).

☐ Household usually consists of one wage earner (51.2%).

☐ Strong believers in guarantee/warranties to judge the credibility of a builder's energy-saving claims (68.3%). They evaluate quality claims mainly through visual inspection (87.5%).

☐ The three factors most important to home selection are price/affordability (52.3%), size (50%) and investment/appreciation value (47.7%).

☐ Buyers would rather have a smaller lot, with upgraded design and amenities in the home, than a larger lot (73.8%). But they would prefer a larger home with fewer amenities to a smaller home with more amenities (55.8%).

☐ Kitchen features strongly preferred include: range/oven (97.7%), dishwasher (93.2%), self-cleaning oven (79.5%), single-handle faucet (79.5%), pantry (77.3%), fluorescent lighting (63.6%), vinyl flooring (61.4%), microwave oven (59.1%), stainless steel sink (52.3%), refrigerator (50%) and two sinks (50%).

☐ Bathroom features this group finds most desirable as standard items: medicine cabinet (90.9%), exhaust fan (86.4%), tub/shower door (86.4%), linen storage closet (79.5%), ceramic tile floors (68.2%), two-bowl vanity (61.4%), and ceramic tile walls (54.5%).

☐ A luxurious master suite is a must for these buyers. Design elements they prefer: a walk-in closet (88.6%), private bath (88.6%), separation from other bedrooms (65.9%) and a dressing/make-up area (54.5%).

☐ The Suburban Elite will pay extra for products and materials that make their homes easier to maintain (52.3%). They will pay for yard maintenance (38.6%), but many (41.9%) will not pay for exterior home care.

☐ Optional features these consumers want include a paved driveway (89.2%), fireplace (87.1%), air conditioning (86.5%), complete landscaping (77.3%), tub and separate shower (69.7%), swimming pool (69.2%), and zoned heating/cooling (62.5%).

☐ Environmental issues, such as the saving of trees and endangered species, are somewhat important to 48.8% of buyers. Almost 56% would really like to have healthy home features. The average price they will pay for such features is $1889 (median, $1611).

☐ Design elements that excite these consumers include raised ceilings (58.5%) and cathedral ceilings (57.1%), multi-purpose rooms (52.4%), covered entries (61.9%), porches (63.4%), patios (65.9%), garage storage (85.7%), pantries (81%), linen closets (85.7%), two closets in the master suite (76.2%), space for family entertaining (70.7%), space for a part-time office or adult hobbies (57.5%), and an oversized master bath (63.4%).

☐ Suburban Elite buyers see equity-building potential as the most important attribute of a new home (64.3%). The next two most important attributes are quality (58.5%) and neighborhood (46.3%).

☐ Intelligent house features greatly interest these buyers. Most desirable are security (87.8%) and energy-management features (65.8%). Consumers would pay an average of $1226 (median, $946) for security features and an average of $1210 (median, $770) for energy-management features.

☐ Most buyers get information about new homes from real estate brokers (69%), and newspaper and classified ads (59.5%). ☐

The Affluentials

The three clusters in this group typify a major U.S. trend toward pre- and post-child communities, with predominantly one- and two-person households surrounding closed and half-filled schools. While significantly below the Suburban Elite in socioeconomic level, this group displays all of the characteristics of success, including high-end educations, incomes, white-collar occupations and home values, with consumption levels to match. Cluster 1 is in the empty-nester mode, typified by good educations and double incomes. Cluster 2 has a high concentration of foreign-born European ethnics and is somewhat older, with even fewer children, and more dense, with a higher incidence of renters in high-rise buildings, mostly living in the Northeast. Cluster 3, skewed to the new West, includes young, metropolitan sophisticates with exceptional high-tech, white-collar employment levels.

Detached homes are preferred by 74.6%. Average price sought: $161,039 (median, $132,894). Average home size sought: 1894 square feet (median, 1743 square feet). This group wants three bedrooms, two bathrooms, a full basement, and a two-car garage. About 30% have owned two homes. Could afford downpayment averaging $48,683 (median, $24,500) and maximum monthly payment averaging $992 (median, $968).

What Makes These Buyers Different?

☐ Strong preference for traditional architecture (40.3%) and brick/masonry exteriors (37.7%). Single-level home is preferred by 36.2%, two-story plan by 29.8%, with the master bedroom on the second floor (55%).

☐ Affluentials prefer to live in outlying suburbs (41.3%) or close-in suburbs (37%).

☐ More space (68.2%) is cited by move-ups as the element that most influences them to buy a new house. The second is a master retreat—a master bedroom with sitting area, walk-in closet and private bath (40.9%).

☐ This group's parents were homeowners, according to 91.3%. Affluentials who currently rent pay an average of $645 per month (median, $600). Renters dislike the fact that they get nothing for their money (78.3%), but 73.9% like the low-maintenance aspect.

☐ The maximum commute to work these buyers will accept is 30 to 45 minutes (36.6%).

☐ Households usually consist of two wage earners (55.7%). This group evaluates a builder's claims of quality and energy savings through visual inspection (quality, 71.7%; energy, 62.7%). The three top criteria for home selection are size (55.7%), price (55.7%) and investment/appreciation value (42.6%).

☐ Overall, only 23.3% said they would be interested in adaptable housing features. But 42.9% of those buying a home for retirement or pending retirement expressed a desire for such features.

☐ Energy-saving features are important to these buyers. About 69% said they would spend an extra $1500 at the time of construction for additional energy-efficient products or features, in order to save $250 a year in heating and cooling costs.

☐ In the kitchen, they show an above-average preference for a range/oven (93.5%), dishwasher (91.9%), garbage disposal (83.9%), single-handle faucet (71%), self-cleaning oven (66.1%) and vinyl flooring (64.5%).

☐ In the bath, strongly preferred features include a medicine cabinet (91.9%), exhaust fan (83.9%), tub/shower door (79%), linen storage (71%), and white fixtures (51.6%).

☐ In the master suite, these buyers prefer a walk-in closet (80.6%) and private bath (74.2%).

☐ A little over 54% would pay an extra $3000 for low-maintenance materials to save an average of $500 a year in maintenance costs. They will pay extra for yard maintenance (37.9%), but fewer will pay for exterior home care (29.3%).

☐ Among optional features, Affluentials show an above-average preference for: smoke/fire alarm system (67.7%), garage-door opener (62.9%), hardwood floors (59.6%), and a recreation room in the basement (58.3%).

☐ Environmental issues are somewhat important to 47.6% of buyers. Healthy house features are desirable to 53.2%, who are willing to pay an average of $1716 (median, $1521) for those features.

☐ Design features that turn these buyers on include: linen closet (90.3%), garage storage (86.9%), space for family entertainment (77%), pantry (76.7%), two closets in the master suite (74.2%), patio (73.3%), porch (71.7%), covered entry (67.8%), multi-purpose rooms (63.9%).

☐ Neighborhood is the most important factor in new home selection, say 56.5%. Next on the list of attributes is value (55.6%), followed by security (54.1%), quality (39.7%) and low maintenance (35.5%).

☐ Affluentials rate intelligent house features highly, particularly security and energy-management features. The median price they would pay for various features: $497 for entertainment; $966 for security; $826 for energy management; $491 for communications; and $482 for service/data.

☐ Affluentials are informed about the impact of regulations on the cost of new housing. They estimate that regulations add an average of $6312 to the cost of each new home (median, $3866).

☐ Real estate brokers are the most often-used source of information about new homes for sale, according to 61.9%. Newspaper and classified ads are also heavily used in the home search (61.9%).

☐ Aspects of a model home that make the strongest impression on buyers are an open floor plan (35.9%) and the kitchen (23.1%). Buyers prefer a bound brochure to a folder with loose inserts (62.2%).

☐ Elements of a real estate ad that are most important to Affluentials: price (95%), photo (88.3%), plan (81.7%) and description (71.7%). ☐

Greenbelt Families

The two clusters in this group represent our newest minority, the nuclear family: Mom, Dad, and the kids. In this case, the families are upscale. Both clusters show high indices for married couples, school-age children, double incomes, two or more cars, and single-unit, owner-occupied suburban housing—in short, the essence of the traditional American dream. Cluster 1, Young Suburbia, runs to large, young families. Neighborhoods are distinguished by their relative affluence and high white-collar employment levels. They are strong consumers of most family products. Cluster 2, Blue-Chip Blues, is similar to Young Suburbia except for social rank, its predominant high school educations and blue-collar occupations being reflected in fewer high-end incomes and lower home values. However, high employment and double incomes yield similar discretionary spending patterns and make this cluster an outstanding market.

Both clusters prefer detached homes (Young Suburbia, 82.9%; Blue-Chip Blues, 86.3%). Average price of $149,013 for the first group (median, $145,454) and $123,558 for the second (median, $110,294). Young Suburbia seeks average size of 2117 square feet (median, 2000 square feet). Blue-Chip Blues seeks average size of 1936 square feet (median, 1854 square feet). Both prefer 3 bedrooms. Cluster 1 favors two-and-a-half bathrooms but Cluster 2 prefers two bathrooms. Full basement and two-car garage desirable to both. Young Suburbia can afford average downpayment of $40,602 (median, $30,000). Blue-Chip Blues can pay an average of $25,061 (median, $16,250) for downpayment. Maximum monthly payment for first group: average, $1050; median, $985; for second, average, $942, median, $854.

What Makes These Buyers Different?

□ Both groups like traditional architecture (Young Suburbia, 54.4%; Blue-Chip Blues, 51%), and two-story houses (39.7% and 40.9%, respectively). Brick is the preferred exterior finish (55.1%, 46%).

□ Both groups would prefer to live in outlying suburbs (53.4%, 52.3%).

□ These consumers are moving up due to a need for more space (56.3%, 60.9%). Young Suburbia is looking for better design (50%) in a larger home (50%). Blue-Chip Blues want a larger home (47.4%) and the ability to continue building equity (47.4%).

□ Price is the primary factor determining Young Suburbia's buying decisions (54.5%), but Blue-Chip Blues are more concerned about the monthly payment (44%).

□ Both groups prefer a short commute to work: 15 to 30 minutes (46.9%, 33.3%).

□ Households usually consist of two wage earners (56.7%, 67.3%).

□ Guarantees or warranties are the preferred method of evaluating a builder's energy-saving claims (77.9%, 68.8%). Buyers determine quality through visual inspection (82.8%, 87.8%).

□ The factors most important in their selection of a home are size (47.8%, 56.9%), price (47.8%, 52.9%) and style (44.9%, 35.3%).

□ Overall, only 23.5% of Young Suburbia and 13.7% of Blue-Chip Blues are interested in adaptable housing features. But those buying a home for retirement or pending retirement are considerably more interested (62.5%, 57.1%).

□ Buyers would pay more up front for energy-efficient features that would save them money over the long term (57.6%, 66%).

□ Kitchen features they strongly prefer include: range/oven (95.7%, 92.2%), dishwasher (92.8%, 82.4%), self-cleaning oven (73.9%, 70.6%) and garbage disposal (81.2%, 82.4%).

□ Bathroom features strongly preferred include: exhaust fan (97.1%, 96.1%), medicine cabinet (84.1%, 92.2%), linen-storage closet (82.6%, 78.4%), tub/shower door (78.3%, 60.8%) and ceramic tile floors (60.9%, 51%).

□ Both groups are willing to pay more for low-maintenance materials (54.5%, 53.1%). But they will not pay extra for yard maintenance (50.7%, 64.7%) or exterior home care (50.7%, 72%).

□ Optional features they want include a swimming pool (65.4%, 61.1%), complete landscaping (60%, 60.9%), fireplace (88%, 78.8%), air conditioning (88.1%, 72.9%) and yard fencing (57.9%, 58.8%).

□ Environmental issues are very important to Young Suburbia (47.8%) but only somewhat important to Blue-Chip Blues (56.9%). They would really like to have healthy home features (46.4%, 43.1%). Young Suburbia would pay an average of $1579 (median, $1368) for healthy home features. Blue-Chip Blues would pay an average of $1618 (median, $1366).

□ Insured warranties are very important to these consumers (49.3%, 60.8%). Young Suburbia would consider buying a home without a warranty (54.4%), but 60% of Blue-Chip Blues would not.

□ Design elements that turn them on include: multi-purpose rooms (65.7%, 64.7%), covered entries (59.1%, 70.6%), porch (66.7%, 71.4%), patio (72.7%, 82%), garage storage (84.8%, 90.2%), pantry (80.3%, 76%) and linen closet (88.1%, 88.2%).

□ Value is the most important attribute of a new home (61.8%, 56%), followed by quality (47.8%, 46%) and security (42%, 44%).

□ Certain intelligent house features appeal to these buyers more than others; for example, security (67.2%, 78.4%) and energy management (71.7%, 66.7%).

□ Child-safety features are also important. Most requested are anti-scald devices for faucets, preferred by 55.9% of Young Suburbia and 53.3% of Blue-Chip Blues.

□ An open floor plan in a model home makes the strongest impression, according to 45.8% in the Young Suburbia cluster and 41.2% of Blue-Chip Blues. Group one prefers a folder with loose inserts (52.1%) while group two prefers a bound brochure (61.8%). □

Urban Gentry

This group is characterized by millions of young, white-collar couples and singles (many divorced and separated), dense mid- and high-rise housing, upscale socioeconomic status, cosmopolitan lifestyles, big-city universities and students, and high concentrations of the foreign-born. Clusters include: the Urban Gold Coast, having the highest concentration of one-person households in high-rises and the lowest incidence of auto ownership; the Bohemian Mix, a largely integrated, singles-dominated, high-rise hodgepodge of occupations and races; Black Enterprise, with neighborhoods that are nearly 70% black, family-oriented and upper-middle class, with median household incomes well above average, and New Beginnings, strongly concentrated in the West, with a predominant age range of 18 to 34 and a mode that is pre-child, with employment concentrated in lower-level white-collar and clerical jobs.

Buyers favor a detached house (62.3%) but will also consider townhouses (13.2%) and high-rise apartments (11.3%). Average price sought: $125,641 (median, $108,928). Average home size sought: 1832 square feet (median, 1800 square feet). Desire three bedrooms (55.8%), two bathrooms (37.7%), full basement (75.8%), two-car garage (56.6%). Could afford downpayment averaging $33,552 (median, $20,000). Maximum monthly payment they can afford averages $946 (median, $875).

What Makes These Buyers Different?

□ The Urban Gentry is split between traditional and contemporary (42.3% preferred each style). Brick is the preferred exterior finish by 48.1%, and they lean toward a single-level house (39.4%). Would find attached acceptable if there was privacy at the rear of the unit (36.4%). Low maintenance is an attractive feature to those who prefer attached housing (61.5%).

□ This group prefers to live in close-in suburbs (40.6%).

□ Half are moving up because they need more space. Another 37.5% said it was time for a change. Move-ups want a better designed home (57.1%).

□ Renters are paying an average of $507 per month (median, $465). Water is usually included in rent (68.4%). Their rent has been raised an average of $43 (median, $45) in the last two years. Renters complain they get nothing for their money (90%), but like having less maintenance to worry about (63.2%).

□ Applying payments to property they own is a significant financial reason to buy, according to 60.8%. Security and privacy are lifestyle reasons to buy (74.5%). Price influences 50% in this group when it comes time to make a buying decision; another 32.7% consider the monthly payment.

□ The Urban Gentry want to commute no more than 15 to 30 minutes to their jobs (42.9%).

□ One wage earner provides the household income (56.9%).

□ They evaluate both energy-saving and quality claims through visual inspection of the home (60.4% and 72.5%, respectively).

□ Size (56.6%), price (58.5%) and the home's investment/appreciation value (47.2%) are the three most important selection criteria.

□ Buyers would prefer a smaller lot and upgraded amenities in the home to a larger lot with fewer amenities (68.1%). But they would take a larger house, with fewer amenities, over less square footage and more amenities (66.7%). Two full baths are preferred over a luxury bath and a half bath (66%), a utility room over extra baths (75.2%), and a great room over a formal living room and family room (59.1%).

□ Kitchen features they prefer include: range/oven (92.5%), dishwasher (84.9%), refrigerator (77.4%), vinyl flooring (66%) and garbage disposal (73.6%).

□ Bathroom features they prefer include: medicine cabinet (90.6%), exhaust fan (79.2%), tub/shower door (73.6%) and linen-storage cabinets (71.7%).

□ The Urban Gentry will pay more for low-maintenance materials (51%), but 50% said they would not pay extra for yard maintenance, and 52.9% declined to pay extra for exterior home care.

□ Optional features these buyers prefer include: swimming pool (61.1%), complete landscaping (65.2%), fireplace (82.9%), air conditioning (72.3%), laundry appliances (61.9%) and upgraded carpeting (79.5%).

□ Environmental issues are very important to 54.7%. Nearly 53% said they would really like to have healthy house features, for which they would pay an average of $1473 (median, $1264).

□ An insured warranty is very important to 44.2% of buyers.

□ Most desirable design elements include: cathedral ceilings (51.9%), two closets in master suite (65.4%) and space for family entertaining (64.2%).

□ Security and energy management are the two most desirable intelligent house features (69.8% and 76.9%, respectively). Buyers would pay an average of $968 (median, $797) for security features and $1017 (median, $769) for energy-management features.

□ Spring-loaded locks on electrical receptacles are the most desirable child-safety feature (44.1%), followed by anti-scald devices in faucets (38.2%).

□ Buyers feel that building regulations add an average of $5254 to the cost of a new house (median, $3384).

□ Does model merchandising sway the buying decision? No, said 62.3% of consumers. But they liked model decorating (76.9%), size (76.9%), workmanship (69.2%), and condition (80%), as well as the sales office (54.2%) and attitude of the sales staff (52%). Turnoffs were cost (53.8%) and selling tactics (64%).

□ The kitchen makes the strongest impression on buyers visiting model homes, according to 33.3%. And 60% prefer a bound brochure to a folder with loose inserts.

□ Good real estate ads should include price (96.2%), floor plan (84.9%) and a photo (73.6%). □

Exurban Boom

This group is primarily found in America's younger boom towns or in the satellite towns and exurbs far beyond major metros. Other shared characteristics are young, white-collar adults, extremely high mobility rates, and new, low-density, single-unit housing. One cluster are white-collar neighborhoods located outside major metros. The residents are highly mobile, well-educated "frontier types" who have opted to live in beautiful mountain and coastal areas. A second, similar cluster eight rungs lower on the socioeconomic scale shows peak concentrations of military personnel and has a strong western skew. A third cluster is located in America's midscale college towns. It shows extreme concentrations of age 18-to-24 singles and students in group quarters, high educational, professional and technical levels, and a taste for prestige products in contrast with modest incomes and home values.

Exurban Boom buyers strongly prefer detached homes (81.7%). Average price sought is $114,904. Average home size sought: 1905 square feet (median 1832 square feet). Desire three bedrooms, two baths, a full basement, two-car garage. Could afford downpayment averaging $28,791. Maximum monthly payment they can afford averages $768 (median $696).

What Makes These Buyers Different?

□ Exurban Boom buyers prefer to live in outlying suburbs (35%), rural areas (34%) or in close-in suburbs (25.2%).

□ For those who rent, the average monthly rent is $423 (median, $362.) Most (57.1%) had to pay extra for all utilities. Their rents rose an average of $40 in the last two years. Exurban Boom renters dislike renting because they get nothing for the money (86.2%). They like renting because less maintenance is involved (60%).

□ Reasons to buy rather than rent: 75.9% say they want to own property as an investment to accumulate equity. Financial factors that influence them are applying payments to property owned (65.3%) and building equity (37.3%). Another key reason to buy is to gain security/privacy (65%) and ownership best conforms to their lifestyle (48.3%). Price (46%) and the monthly payment (41.1%) are the two big factors affecting their decision to buy.

□ The maximum commute to work Exurban Boom buyers will accept is 15 to 30 minutes (39.8%).

□ These households usually consist of two wage earners (56.2%).

□ These buyers have to see to believe: visual inspection is the primary method used to judge a builder's energy claims (67.7%), as well as quality claims (83.2%).

□ The three factors most important in the selection of a home are size (62.7%), the price (58.7%) and its style/appearance (39.7%).

□ If forced to decide between two options, buyers will take upgraded amenities in lieu of a larger lot (68.1%); they'll opt for a larger home over upgraded amenities (67%); they'll take two full baths instead of one luxury bath (73.9%); they'll choose a utility room instead of an extra bath (75.2%); and 53.6% said they'd take a formal living/family room set-up instead of a great room.

□ More than one-fourth (26.2%) of Exurban Boom buyers are interested in adaptable house features such as wider doorways, ramps and space for a wheelchair under sinks. But half of those buying a home for retirement are interested in adaptability features.

□ Over two-thirds of these buyers will pay more up front for energy-efficient features that will save money over the long haul.

□ Standard bathroom features most popular with this group include: exhaust fans (88%), a medicine cabinet (81.6%), linen storage (76.8%) and a tub/shower door (64%).

□ The top kitchen features Exurban Boom buyers want as standard: a range/oven (85.6%), a dishwasher (83.2%), a pantry (75.2%) and vinyl flooring (73.6%).

□ The master bedroom suite should feature a private bath (85.6%), a walk-in closet (80%) and separation from the home's other bedrooms (56%).

□ Exurban Boom buyers will pay extra for low maintenance features (56.9%), but most won't pay for yard maintenance (54.4%) or exterior home care (50.4%).

□ Optional features most desired include a fireplace (83.5%), air conditioning (73%), a basement rec room (65.7%), landscaping (60.7%), laundry appliances (58.9%) and yard fencing (52%).

□ Environmental considerations (saving trees and/or endangered species) are very important to 44.4% of Exurban Boom buyers. On the other hand, over 43% say they can live without healthy home features. Those who desire a healthy house (41.6%) would pay an average of $1519 for these features.

□ An insured warranty is very important to over half (51.2%) of these buyers.

□ Design elements that appeal to these buyers include linen closets (91.1%), pantries (79.3%), garage storage (77.7%), a patio (72.3%), double closets in the master suite (68.9%), a porch (67.5%), family entertaining areas (65.3%), multi-purpose rooms (64.2%) and covered entries (62%).

□ The most important attribute of a home for these buyers is its value in building equity (67.8%), as well as security (50%).

□ Nearly three-fourths of these buyers are interested in intelligent house energy-management features, and two-thirds are intrigued by this technology's security aspect as well. On average, they'd pay about $1000 for energy features, and $876 for security. More than half want child-safe anti-scald devices in the homes, as well.

□ Nearly two-thirds of these buyers get information about new homes from brokers (62.6%) and newspaper ads (61%). □

Suburban Elders

This group represents a continuing trend toward post-child communities. It includes many aging couples, widows and retirees on pensions and Social Security. One cluster lives in the old suburban "WWII-tract-housing" white-collar neighborhoods concentrated in the Northeast. These are aging couples in comfortable, middle-class homes. Employment levels are still high with many double incomes. A second, related cluster is five rungs lower on the socioeconomic scale. These people live in blue-collar neighborhoods of aged duplex rows and multi-unit "railroad" flats. A third cluster are the two million senior citizens who have retired among their peers in Sun Belt communities in the South Atlantic and Pacific regions. These are the nation's most affluent elderly, retired and widowed neighborhoods, living in mixed multi-units, condos and mobile homes on non-salaried incomes.

These home shoppers prefer detached (80.4%) but will take a duplex (8.9%). Average price sought is $119,312. Average home size sought: 1866 square feet (median 1800 square feet). Desire three bedrooms, two baths, full basement, two-car garage. Could afford downpayment averaging $40,510. Maximum monthly payment they can afford averages $768 (median $696).

What Makes These Buyers Different?

□ Suburban Elders have a preference for contemporary architecture (40.7%) and a brick exterior finish (48.1%). Both single-level (40.9%) and two-story (38.6%) home styles are popular with this segment. These buyers might consider an attached home if it has a sense of neighborhood (34.1%) and has a design that controls noise (27.3%). For those already predisposed to attached, the features of low maintenance and recreational amenities are the big appeal.

□ For this category of consumers, an outlying suburb (43.2%) is the most preferred area to live in.

□ Renters in this category have an average monthly rent of $388. The rent usually includes water (61.5%) and has been raised an average of $28 (median, $38) in the last two years. Renters in this category dislike renting because they get no equity for the money (92.3%), though they like the low maintenance aspect of being a tenant.

□ The key financial reason for Suburban Elders to buy a home is to apply payments to property ownership (49.1%) and create a nest egg (45.3%). They also buy for a sense of security/privacy (63.6%) and because ownership conforms best to their lifestyle (52.7%).

□ Exactly half of the households in the Suburban Elders group have one income; the other half are two-income families. The most important factors in selecting a home are its size (58.2%), its price (54.5%) and its style (40%). These buyers want a warranty from a builder to back up claims of energy efficiency (76.4%) yet prefer to rely on visual inspection to check out quality claims (74.5%).

□ Given the choice of upgraded amenities and a smaller lot versus few amenities and a larger lot, 64% of Suburban Elders will take the amenities. But 56% would prefer a larger home to a smaller home with more amenities. Two full baths are preferred over one large luxury bath (64.6%); a utility room is preferred over an extra bathroom (68.1%), and formal living/family room is preferred over a great room (55.1%).

□ Overall, 24.1% of Suburban Elders are interested in adaptable house features, although interest swells to 66.7% among those in this segment who are contemplating a home for their retirement years.

□ Energy-saving features are of interest to 67.9% who said they'd pay $1500 up front to save $250 annually in heating/cooling costs.

□ Top bath features desired as standard: a medicine cabinet (89.3%), exhaust fan (82.1%), linen storage (75%) and a tub/shower door (62.5%).

□ Kitchen features most desirable as standard items include a range/oven (89.3%), dishwasher (76.8%), refrigerator (69.6%) and a self-cleaning oven (66.1%).

□ The most important standard items for master bedrooms: a walk-in closet (73.2%), a private bath (69.6%) and a sense of separation from the other bedrooms (60.7%).

□ Over 60% of Suburban Elders will pay for low-maintenance products, but an equal number say they aren't interested in yard maintenance.

□ Optional features most desired by this buying segment include a fireplace (72.9%), a screened porch or "Florida Room" (73.3%), air conditioning (72.9%), a basement rec room (54.5%) and yard fencing (51.3%).

□ Environmental considerations are only "somewhat important" according to 42.9% of Suburban Elders. On the other hand, over a third said they'd like healthy home features, and on average, are willing to pay $1521 for them. What's more, 49.1% consider a warranty to be very important.

□ Design features that rate high with Suburban Elders include garage storage (86.8%), a linen closet (84.9%), two closets in the master suite (76.5%), a patio (75.5%), a porch (71.1%), a covered entry (67.9%) and multi-purpose rooms (67.3%). Plant shelves (11.3%) and interior lofts (15.7%) rate fairly low.

□ Security is of the utmost importance in a purchase, according to 62.3% of this group.

□ Similarly, the intelligent house features that are most appealing revolve around security questions, though interest is also high in energy-management features. The child-safe design feature that is most popular with this group is an anti-scald device for faucets (64.4%).

□ Based on past house hunting, members of this group are generally pleased with the size, workmanship and overall condition of models they've seen. What turns them off is sales staff attitude and tactics.

□ For Suburban Elders, the most important element in a new home ad is price. These buyers prefer a brochure designed as a folder (55.6%). □

Satellite Blues

The three clusters in this group might be described as America's blue-collar baby factories. These neighborhoods are very middle class and married. They show high indices for large families, household incomes close to the U.S. mean, and owner-occupied single-unit houses in factory towns and remote suburbs of industrial metros. While anchored in the Midwest, Satellite Blues are broadly distributed across the nation. Cluster 1, Blue-Collar Nursery, leads the nation in craftsmen and is number one in married couples with children and households of three or more, residing in low-density satellite towns and suburbs of smaller industrial cities. Cluster 2, Middle America, is composed of midsized, middle-class satellite suburbs and towns, centered in the Great Lakes industrial region. Cluster 3, Coalburg & Corntown, is concentrated in small cities (such as Terre Haute, Ind., and Lima, Ohio) and surrounded by rich farmland.

Though Satellite Blues prefer detached housing (77.5%), they also show a higher-than-average preference for specialty housing, such as log, dome and cedar homes (8.8%). Average price sought: $103,112 (median, $88,000). Average home size sought: 1955 square feet (median, 1883 square feet). Desire three bedrooms, two baths, full basement, two-car garage. Purchased present home six years ago for average of $64,648; expect to sell it now for $96,321. Could afford downpayment averaging $25,289 (median, $20,000) and maximum monthly payment averaging $752.

What Makes These Buyers Different?

□ Traditional design is preferred by 39.5%; brick/masonry exterior is preferred by 34.6%. Single-level plans are most popular (44.3%) with master bedroom on first floor (64.1%). Would accept an attached house if it had energy-saving features (30.5%).

□ Prefer to live in rural areas (43.5%) and wish to commute no more than 15 to 30 minutes to work (39.5%).

□ About one-fourth of Satellite Blues buyers are moving up for the second or third time.

□ Those who are delaying a home purchase say it's because they were waiting for their salary to increase (25%), saving for a downpayment (25%), or trying to find affordable monthly payments (25%).

□ Those who are ready to buy say they are primarily interested in the security/privacy aspects of ownership (65.4%) and that it best conforms to their lifestyle (50%). Their decision will hinge on two factors: price (50.6%) and the monthly payment (44.3%).

□ By and large, these Satellite Blues households have two wage earners contributing income (53.2%).

□ When evaluating a builder's energy performance claims, these buyers want warranties/guaranties as evidence (76.6%). However, when it comes to quality, these buyers want a visual inspection (78.4%).

□ If given a choice between two options: 52.7% will accept upgraded amenities instead of a larger lot; however, they'll trade off extra amenities for a larger home (57.1%); they'd prefer two full baths instead of a luxury/half-bath combo (54.1%).

□ Only 20% of these buyers are interested in adaptable home features—a figure that only inches up to 30% for those considering the house as a retirement residence. On the other hand, 65.4% will make a $1500 investment in energy-saving products now to save money later on.

□ Bathroom features these buyers want as standard include exhaust fan (89.7%), a medicine cabinet (87.2%), linen storage (79.5%), a tub/shower door (65.4%) and a one-bowl vanity (61.5%).

□ In the kitchen, these buyers expect: a range/oven (83.5%), a vinyl floor (74.7%), a dishwasher (64.6%), a stainless steel sink (64.6%) and a refrigerator (59.5%).

□ In the master bedroom suite, they look for a walk-in closet (75.9%), a private bath (72.2%) and a sense of separation from other bedrooms (60.8%).

□ Key optional products for Satellite Blues buyers are a fireplace (87.8%), air conditioning (79.7%), carpet upgrades (67.2%), a screened porch (64.9%) and zoned heating/cooling (63.6%).

□ The environmental considerations of home building are "very important" to 48.1% of these shoppers. More than 57% of these consumers would like to have healthy home features, and are willing to pay, on average, $1490 for them. A warranty was rated just "somewhat" important by 46.8%, although 51.3% said they would not consider buying a home without one.

□ Home design features rated most desirable include a linen closet (80%), garage storage (76.3%), a pantry (75%), a porch (68.8%), family entertaining space (60%), a patio (60%), a covered entry (60%) and multipurpose rooms (50%).

□ Key considerations in the selection of a home are its ability to build equity/increase in value (59.2%), its quality (56%) and the surrounding neighborhood (50.7%).

□ The appeal of intelligent house technology is moderately high for this group, with particular interest shown for the energy and security-management functions. On average, Satellite Blues buyers would pay about $960 to $980 for these functions.

□ Anti-scald devices in faucets a child-safety feature, has the most appeal for about half of these buyers.

□ A merchandised model is not considered essential by 61.5%, though the model's size and overall condition is critically important to 83%. The most important model home feature that creates a positive impression is an open floor plan (36.2%).

□ Brokers are the most common source of new home information (67.9%) for these buyers. Satellite Blues buyers prefer a bound brochure (60.4%) over folders with loose sheets.

□ Advertising that is most effective displays the price (97.5%), a plan (92.4%), a photo (83.5%) and a description (72.2%). □

Mid-City Mix

The four clusters of this group encompass densely urban, middle-class neighborhoods, mainly composed of duplex rows and multi-unit rented flats built more than 30 years ago in second-city centers and major-market fringes. The group shows high concentrations of foreign-born, working women, clarical and service occupations, and singles and widows in one-person households. One cluster is the New Melting Pot, where the old European stock is giving way to immigrants of Hispanic, Asian and Middle Eastern origins. Another, Old Yankee Rows, is centered in the Northeast with high concentrations of high-school educated Europeans or Catholics. Emergent Minorities is almost 80% black. This cluster shows above-average concentrations for children of all ages, almost half of them in homes with single parents. Single City Blues represent an odd mixture of races, classes, transients and night trades in the nation's densely urban, downscale singles areas.

Mid-City Mix buyers prefer detached homes (79.5%), although acceptance of duplexes (7.7%) is higher than average. Average price sought is $146,959. Average home size sought: 1976 square feet (median 2000 square feet). Desire three bedrooms, two baths, full basement, two-car garage. Could afford downpayment averaging $30,000. Maximum monthly payment they can afford averages $947 (median $875).

What Makes These Buyers Different?

□ Traditional design is preferred by 48.7%; a brick/masonry exterior is preferred by 60.5%. Single-level plans are most popular (56.7%), although 26.7% want a two-story home. Would accept an attached house if it had energy-saving features (40%) and/or a sense of neighborhood (36.7%).

□ Prefer to live in close-in suburbs (43.3%) and wish to commute no more than 15 to 30 minutes to work (30.6%).

□ Mid-City Mix move-up buyers generally are seeking two things in a new home: more space (46.2%) as well as more volume spaces (46.2%).

□ Those who are delaying a home purchase say it's because they are waiting for their salary to increase (53.3%). But all feel home ownership is a desirable goal, and 94.7% say their parents owned homes.

□ Renters within this segment are paying an average of $433 per month (median, $412). Their current rent has been increased an average of $28 in the last two years. By and large, they dislike renting because they receive no equity for the dollar, although a high percentage say they like having less financial responsibility as tenants.

□ Those who are ready to buy say they are primarily interested in a better location (50%). Their decision will hinge on two factors: price and the monthly payment (44.7%). By and large, these households have one wage earner contributing income.

□ When evaluating a builder's energy performance claims, these buyers want warranties/guaranties as evidence (81.6%). However, when it comes to quality, these buyers want a visual inspection (77.8%).

□ If given a choice between two options: 73.5% will accept upgraded amenities instead of a larger lot; however, they'll trade off extra amenities for a larger home (61.3%); they'd prefer two full baths instead of a luxury/half-bath combo (71.9%); they prefer formal living and family rooms over a great room (72.4%); and they'll take a utility room in lieu of an extra bath (61.3%).

□ Well over a third of these buyers are interested in adaptable-home features, and 71.8% will make a $1500 investment in energy-saving products now to save money later on.

□ Over half (55.3%) of home buyers will pay extra now for low-maintenance products. However, nearly eight out of 10 said they would not pay for a yard-maintenance service, and 43.2% said they had no interest in any exterior-care services.

□ Bathroom features these buyers want as standard include a medicine cabinet (94.9%), exhaust fan (84.6%), a tub/shower door (74.4%), linen storage (71.8%) and safety features (59%).

□ In the kitchen, these buyers expect: a range/oven (100%), a dishwasher (87.2%), a refrigerator (79.5%), a vinyl floor (76.9%) and a garbage disposal (64.1%).

□ In the master bedroom suite, they look for a private bath (89.7%) a walk-in closet (87.2%) and a sense of separation from other bedrooms (56.4%).

□ Key optional products for buyers are a fireplace (84%), a rec room (83.3%), air conditioning (76.5%), landscaping (55.6%) and a screened porch (55.6%).

□ The environmental considerations of home building are "very important" to 52.8% of these shoppers. More than 55% of these consumers would like to have healthy home features, and are willing to pay, on average, $1683 for them. A warranty was rated very important by 51.4%, and 50% said they would not consider buying a home without one.

□ Home design features rated most desirable include a linen closet (89.7%), garage storage (76.9%), a pantry (74.4%), two closets in the master suite (74.4%), family entertaining space (74.4%), multi-purpose rooms (66.7%), and a patio (64.1%).

□ Key considerations in the selection of a home are security (64.9%), low maintenance (61.1%) and quality (56%).

□ The appeal of intelligent house technology is very high for this group when applied to security, but average for other functions. On average, buyers would pay about $1631 for security functions but a lot less for others.

□ The spring-loaded locks and extra handrail/safety gate features of a child-safe home design have the most appeal for about half of these buyers.

□ A merchandised model is not considered essential by 61.9%, though the model's size and overall condition is critically important. The most important model home feature that creates a positive impression is the kitchen (47.8%). □

The Heartland

This group is centered in small communities located in a broad swath across the Corn Belt and on into ranch and mining country. Clusters share large numbers of sparsely populated communities, lower-middle to downscale socioeconomic levels, high concentrations of German and Scandinavian ancestries, and maximum stability. They might be desribed as "rugged conservatives." One cluster, called Shotguns & Pickups, shows peak indices for large families with school-age children, headed by blue-collar craftsmen, equipment operators and transport workers. Another, called Agri-Business, is located in the Great Plains and mountain states. Prosperous ranch, farm and mining areas are still marred by rural poverty and a continuing exodus of youth. A related cluster, Grain Belt, shows higher concentrations of working farm owners and less-affluent tenant farmers.

Heartland home shoppers prefer detached housing (76.5%) although interest in both modular (8.8%) and mobile homes (5.9%) is high. Average price sought is $92,294. Average home size sought: 1661 square feet (median 1564 square feet). Desire three bedrooms, two baths, a full basement, two-car garage. Could afford downpayment averaging $30,143. Maximum monthly payment they can afford averages $628 (median $429).

What Makes These Buyers Different?

☐ Traditional design is preferred by 47.1%; an aluminum/metal siding exterior is preferred by 26.5%. Single level plans are most popular (38.5%), while two-story plans are favored by 26.9%. Would accept an attached house if it had privacy (34.6%) and a sense of neighborhood (34.6%).

☐ Those within the category who are moving up generally are seeking more space (44.4%).

☐ Home ownership has strong roots in the Heartland: 100% feel it is a desirable goal, and 100% say their parents owned a home.

☐ Renters within this segment are paying an average of $265 per month (median, $262). Their current rent has been increased an average of $8 in the last two years. By and large, they dislike renting because they receive no equity for the dollar, although they also appreciate the lowered maintenance and financial responsibility involved in this living arrangement.

☐ Their decision to buy primarily will hinge on price (56.3%). By and large, these households have one wage earner contributing income (59.4%).

☐ When evaluating a builder's energy performance claims, Heartland buyers want both warranties/guaranties as evidence (71%) and time to visually inspect (71%). However, when it comes to quality, these buyers rely on a visual inspection (80%).

☐ If given a choice between two options: 60% will accept a bigger yard instead of upgraded amenities; they'll also trade off extra amenities for a larger home (56.7%); they'd prefer two full baths instead of a luxury/half-bath combo (57.1%); they prefer a great room over formal living and family rooms (51.9%); and they'll take a utility room in lieu of an extra bath (84.6%).

☐ About 70% of Heartland buyers have no interest in adaptable home features, although half of those purchasing a house as a retirement residence will consider it. But nearly 62% will make a $1500 investment in energy-saving products now to save money later on.

☐ These home buyers are evenly split when it comes to paying extra for low-maintenance products. A solid 8-out-of-10 said they would not pay for a yard-maintenance service, and two-thirds said they had no interest in any exterior-care services.

☐ Bathroom features these buyers want as standard include a medicine cabinet (82.4%), linen storage (79.4%), a one-bowl vanity (76.5%), exhaust fan (73.5%), and a tub/shower door (47.1%).

☐ In the kitchen, Heartland buyers expect: a range/oven (88.8%), a vinyl floor (73.5%), a refrigerator (73.5%), a dishwasher (70.6%), a double sink (58.8%).

☐ Key optional products for these buyers are a screened porch (83.3%), a rec room (80%), air conditioning (73.1%), a fireplace (66.7%) and zoned heating/cooling (64.7%).

☐ The environmental considerations of home building are "very important" to half of Heartland shoppers. But nearly half say they could live without healthy home features.

☐ On the other hand, a warranty was rated "very" important by 64.5%, and 59.4% said they would not consider buying a home without one.

☐ Home design features rated most desirable include garage storage (55.9%), a pantry (55.9%), a porch (55.9%), a patio (52.9%), a linen closet (52.9%), a covered entry (41.2%) and multi-purpose rooms (41.2%), and family entertaining space (38.2%). Rated low were a formal entertaining space (5.9%) and a home fitness center (8.8%).

☐ Key considerations in the selection of a home are security (53.3%), the surrounding neighborhood (51.7%) and quality (50%).

☐ The appeal of intelligent house technology is moderately high for this group, with particular interest shown for the energy and security-management functions. On average, these buyers would pay about $870 to $1000 for these functions.

☐ The spring-loaded locks feature of child-safe homes has the most appeal for 59.1% of Heartland buyers.

☐ A merchandised model is not considered essential by 60.6%. Those who have toured models in the past seem very sensitive to perceived size, condition and workmanship. The most important model home feature that creates a positive impression is the kitchen (41.2%).

☐ Both brokers and newspaper ads are used as sources of new home information for Heartland consumers. They also prefer a bound brochure (52.9%) over folders with loose sheets.

☐ Advertising that is most effective displays the price (97%), a plan (81.8%) and a description (75.8%). ☐

Small-Town Living

This category covers a host of predominantly blue-collar neighborhoods in the nation's smaller industrial cities, factory, mining and mill towns, and rustic coastal villages. Clusters share a few broad characteristics such as lower-middle incomes, limited educations, and (except Smalltown Downtown) single units and mobile homes in medium- to low-density areas. However, it is the differences among the clusters that make this group interesting. Golden Ponds are the hundreds of small rustic towns where seniors choose to retire among country neighbors. Mines & Mills clusters are scattered throughout the Appalachian Mountains where both light and heavy industry thrive. Norma Rae-Ville is in the South, where hundreds of industrial suburbs feature a variety of textile plants and other light industries. Smalltown Downtown are relatively densely populated factory towns located along the old railroad lines.

Small-Town Living home shoppers prefer detached housing (87.5%). Average price sought is $92,728. Average home size sought: 1838 square feet (median 1707 square feet). Desire three bedrooms, two baths, a full basement, two-car garage. Could afford downpayment averaging $22,179. Maximum monthly payment they can afford averages $638 (median $551).

What Makes These Buyers Different?

□ Traditional design is preferred by 43.7%; brick/masonry exterior is preferred by 48.6%. Single-level plans are most popular (48.4%). These buyers say they would accept an attached house if it had lower maintenance features (59.3%).

□ Small-Town Living buyers prefer to live in outlying suburbs (37.1%), as well as rural areas (32.3%), and wish to commute no more than 15 to 30 minutes to work (42.4%).

□ Those within the category who are moving up generally are seeking two things in a new home: a better design (65.2%) and more space (48.1%).

□ Small-Town Living renters say they are delaying a home purchase because they are saving for a downpayment (46.2%). They are paying an average of $470 per month (median, $370). Their current rent has been increased an average of $26 in the last two years. By and large, they dislike renting because they receive no equity for the dollar.

□ Those who are ready to buy say they are primarily interested in the security/privacy aspects of ownership (63.8%) and that it best conforms to their lifestyle (43.5%). Their decision will hinge on price (58%). By and large, these households have one wage earner contributing income (50.7%).

□ When evaluating a builder's energy performance claims, these buyers want both warranties/guaranties and time to make a visual inspection (66.2%). However, when it comes to quality claims, these buyers will rely on a visual inspection (77.3%).

□ Given a choice between two options, 61.3% will accept upgraded amenities instead of a larger lot; however, they'll trade off extra amenities for a larger home (70.5%); they'd prefer two full baths instead of a luxury/half-bath combo (57.4%); they prefer formal living and dining rooms over a great room (54.1%); and they'll take a utility room in lieu of an extra bath (79.3%).

□ Seventy percent of Small-Town Living buyers have no interest in adaptable home features, although 60% of those considering a house as a retirement residence are interested. Three out of four will make a $1500 investment in energy-saving products now to save money later on.

□ Nearly 63% of these home buyers will pay extra now for low-maintenance products. However, 63% said they would not pay for a yard-maintenance service, and 62% said they had no interest in any exterior-care services.

□ Bathroom features these buyers want as standard include a medicine cabinet (87.3%), linen storage (83.1%), exhaust fan (76.1%), and a one-bowl vanity (59.2%).

□ In the kitchen, these buyers expect: a range/oven (88.7%), a pantry (74.6%), a refrigerator (73.2%), a dishwasher (71.8%) and a stainless steel sink (64.8%).

□ In the master bedroom suite, they look for a private bath (73.2%) and a walk-in closet (70.4%).

□ Key optional products for these buyers are a fireplace (78.6%), air conditioning (75%), complete landscaping (67.6%), a rec room (60%) and hardwood flooring (51.1%).

□ The environmental considerations of home building are "somewhat important" to 49.3% of Small-Town Living shoppers. More than 45% of these consumers would like to have healthy home features, and are willing to pay, on average, $1425 for them. A warranty was rated "very" important by 54.3%, who said they would not consider buying a home without one.

□ Home design features rated most desirable include a linen closet (83.3%), garage storage (75%), a pantry (75%), a patio (72.2%), a covered entry (72.2%), a porch (69.4%), two closets in the master suite (68.1%) and family entertaining space (58.3%).

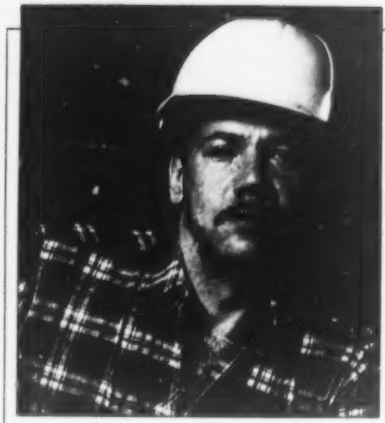
□ The key consideration in the selection of a home is its ability to increase in value (69.6%).

□ The appeal of intelligent house technology is moderately high for this group. On average, these buyers would pay about $850 for these functions.

□ The anti-scald faucet device in a child-safe home design has the most appeal for about 44.2% of these buyers.

□ A merchandised model is not considered essential by 57.4%. The most important model home feature that creates a positive impression is the kitchen (40%).

□ Brokers are the most common source of new home information (63.6%) for Small-Town Living buyers. They also prefer a bound brochure (65%) over folders with loose sheets. Advertising that is most effective displays the price (97.1%), a photo (87%) and a plan (85.5%). □



Inner City

This group represents the least-advantaged neighborhoods of America. It shows peak indices for minorities, high indices for service workers and laborers, very low income and education levels, large families, high concentrations of singles (widowed, divorced, separated, never married), peak concentrations of renters in multi-unit housing, and perennial unemployment. Heavy Industry is chiefly concentrated in the older industrial markets of the Northeast, with an above-average incidence of Hispanics. Downtown Dixie-Style is concentrated in mostly black, southern neighborhoods. Hispanic Mix is chiefly concentrated in the major markets of the Mid-Atlantic and West. Public Assistance consists of large, single-parent families in rented or public high-rise buildings.

Inner City home shoppers prefer detached housing (64.7%) as well as duplexes (8.8%). Average price sought is $110,367. Average home size sought: 1839 square feet (median 1699 square feet). Desire three bedrooms, two baths, a full basement, two-car garage. Could afford downpayment averaging $17,067. Maximum monthly payment they can afford averages $704 (median $604).

What Makes These Buyers Different?

☐ Traditional design is preferred by 36.4%; brick/masonry exterior is preferred by 58.8%. Single-level plans are most popular (36.4%) followed closely by two-story designs (31.8%). Would accept an attached house if it had security (45%) and energy-saving features (30%).

☐ Prefer to live in close-in suburbs (36.4%) and the central city (27.3%). They wish to commute no more than 15 to 30 minutes to work (50%).

☐ Those within the category who are moving up generally are seeking two things in a new home: more space (37.5%) and the ability to build more equity (37.5%).

☐ Inner City residents who have never owned before and yet are delaying a home purchase say it's because they are saving for a downpayment (40%). But they all feel home ownership is a desirable goal, and 60% say their parents owned homes.

☐ Renters within this segment are paying an average of $446 per month (median, $406). Their current rent has been increased an average of $46 in the last two years. For the most part, they dislike renting because they receive no equity for the dollar.

☐ By and large, these households have one wage earner contributing income (57.6%).

☐ If given a choice between two options: 83.3% will accept upgraded amenities instead of a larger lot; however, they'll trade off extra amenities for a larger home (55.2%); they'd prefer two full baths instead of a luxury/half-bath combo (58.1%); they prefer formal living and family rooms over a great room (67.9%); and they'll take a utility room in lieu of an extra bath (82.1%).

☐ Only 29% of these buyers have any interest in adaptable-home features. Only 37.5% of those considering the house as a retirement residence are interested in adaptable features, as well. However, more than 75% will make a $1500 investment in energy-saving products now to save money later on.

☐ Nearly 70% of Inner City home buyers will pay extra now for low-maintenance products. But 40.6% said they would not pay for a yard-maintenance service, and 37.5% said they had no interest in any exterior-care services.

☐ Bathroom features these buyers want as standard include a medicine cabinet (97.1%), linen storage (85.3%), exhaust fan (82.4%), a tub/shower door (79.4%) and ceramic tile floors (73.5%).

☐ In the kitchen, these buyers expect: a range/oven (91.2%), a dishwasher (73.5%), a refrigerator (73.5%), pantry (64.7%) and a vinyl floor (61.8%).

☐ In the master bedroom suite, they look for a walk-in closet (85.3%) and a private bath (85.3%).

☐ Key optional products for these buyers are air conditioning (93.5%), a fireplace (84.6%), laundry appliances (73.3%), a screened porch (62.5%) and a rec room (57.9%).

☐ The environmental considerations of home building are "very important" to 47.1% of these shoppers. More than 61% of Inner City consumers would like to have healthy home features, and are willing to pay, on average, $1440 for them. A warranty was rated "very" important by 47.1%, and 52.9% said they would not consider buying a home without one.

☐ Home design features rated most desirable include a linen closet (94.1%), two closets in the master suite (82.4%), garage storage (67.6%), a pantry (67.6%), a patio (67.6%), multi-purpose rooms (64.7%), a porch (58.8%), family entertaining space (58.8%), a covered entry (52.9%), raised ceilings (52.9%). This group also has higher than average interest in home-fitness centers, window treatments, home offices and plant shelves.

☐ The appeal of intelligent house technology is unusually high with this group, with particular interest shown for the entertainment and security-management functions. On average, these buyers would pay about $1100 for these functions.

☐ The monitoring intercom with door-alarm feature of a child-safe home has the most appeal for about 51.9% of these buyers.

☐ A merchandised model is not considered essential by 70%. The most important model home feature that creates a positive impression is the kitchen (26.7%).

☐ Brokers are the most common source of new home information (70%) for Inner City buyers, although newspapers rank particularly high (60%) as well. These buyers prefer a bound brochure (53.3%) over folders with loose sheets.

☐ Advertising that is most effective displays the price (100%) and a plan (90.9%). ☐

Country Folk

This group peppers rural America and the rural South with thousands of small agrarian communities, towns and villages. It has such shared characteristics as very low population densities; low socioeconomic rankings; minimal educations; large, highly stable households with widowed elders; predominantly blue collar/farm labor; and peak concentrations of mobile homes. Back-Country Folks is centered in the Ozark and Appalachian uplands, and leads all clusters in concentration of mobile homes and trailers. Share Croppers is deeply rooted in the South. Tobacco Roads has its greatest concentrations in the river basins and coastal flatlands of the Carolinas, Georgia and the Gulf states. Hard Scrabble represents the poorest rural areas, leading all other clusters in concentration of working women.

These home shoppers prefer detached (69.8%) and mobile homes (14%). The average price sought is $79,333. Average home size sought: 1817 square feet (median 1749 square feet). Country Folk buyers desire three bedrooms, two baths, a full basement, two-car garage. They could afford downpayment averaging $22,308. Maximum monthly payment they can afford averages $503 (median $371).

What Makes These Buyers Different?

□ Traditional design is preferred by 56.1%; vinyl siding is preferred by 32.6%. Single-level plans are most popular (58.6%). Would accept an attached house if it had privacy at the rear (28.6%), a sense of neighborhood (28.6%) and sound control (28.6%).

□ Country Folk wish to commute no more than 15 to 30 minutes to work (48.7%).

□ Those within the category who are moving up generally are seeking two things in a new home: a better design (66.7%) and more space (56.3%). First-timers feel home ownership is a desirable goal (87.5%).

□ Renters within this segment are paying an average of $318 per month (median, $287). Their current rent has been increased an average of $41 in the last two years.

□ Those who are ready to buy say they are primarily interested in the security/privacy aspects of ownership (57.5%) and that it is essential to raising a family (37.5%). Their decision will hinge on price (54.8%).

□ Country Folk households have one wage earner contributing income (51.2%).

□ When evaluating a builder's energy performance claims, these buyers want warranties/guaranties as evidence (60%). However, when it comes to quality, these buyers want a visual inspection (66.7%).

□ If given a choice between two options, 62.5% will accept upgraded amenities instead of a larger lot; however, they'll trade off extra amenities for a larger home (82.4%). They'd prefer two full baths instead of a luxury/half-bath combo (73.7%); they prefer a great room over formal living and family rooms (54.5%); and they'll take a utility room in lieu of an extra bath (80.6%).

□ About 66% of these buyers have no interest in adaptable-home features, although two-thirds of those considering the house as a retirement residence will examine adaptable features. Over 57% will make a $1500 investment in energy-saving products now to save money later on.

□ Nearly 62% of Country Folk home buyers will pay extra now for low-maintenance products. However, 64.3% said they would not pay for a yard-maintenance service, and 52.5% said they had no interest in any exterior-care services.

□ Bathroom features these buyers want as standard include linen storage (83.7%), exhaust fan (81.4%), a medicine cabinet (76.7%), a tub/shower door (55.8%), a one-bowl vanity (53.5%), a bathroom heater (48.8%) and safety features (46.5%).

□ In the kitchen, these buyers expect: a vinyl floor (93%), a range/oven (90.7%), a dishwasher (74.4%), a refrigerator (72.1%), a stainless steel sink (62.8%), a pantry (55.8%), self-cleaning oven (55.8%) and two sinks (62.8%).

□ In the master bedroom suite, Country Folk look for a walk-in closet (79.1%) and a private bath (69.8%).

□ Key optional products Country Folk buyers look for are a screened porch (94.1%), a fireplace (77.8%), storm windows (74.4%), ceiling fan (66.7%) and a pool (62.5%).

□ The environmental considerations of home building are "very important" to 53.7% of these shoppers. However, 43.9% of these consumers say they can "live without" healthy home features. A warranty was rated just "very" important by 54.8%, and 65% said they would not consider buying a home without one.

□ Home design features rated most desirable include a linen closet (94.1%), garage storage (67.6%), a pantry (67.6%), a patio (67.6%), multi-purpose rooms (64.7%), built-in furniture (58.8%), an over-sized master bath (58.8%), a porch (58.8%), family entertaining space (58.8%) and a covered entry (52.9%).

□ Key considerations in the selection of a home are its ability to increase in value (60.5%) and its quality (56.4%).

□ The appeal of intelligent house technology is moderately low for these buyers.

□ The spring-loaded lock feature of a child-safe home has the most appeal for about 45.7% of these buyers.

□ The most important model home feature that creates a positive impression is a kitchen (42.1%).

□ Newspaper/classified ads are the most common source of new home information (52.5%) for these buyers. These buyers prefer a bound brochure (57.9%) over folders with loose sheets.

□ Advertising that is most effective displays the price (90%), a photo (90%), a plan (85%) and a description of the model (80%). □

AD INDEX

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INDICATORS

Starts Fall In September, But Permits Turn Back Up

Lower interest rates should stimulate the economy in 1992.

Following five months of steady, slow increase, total housing starts declined in September. The seasonally adjusted annualized rate of 1.03 million housing starts during the month of September suggested that the long-awaited housing recovery had stalled out during the summer.

Nevertheless, a silver lining exists in the Commerce Department's report for September: The number of building permits issued for residential construction moved up during the month, following a disappointing retreat during August.

The annualized rate of building permit authorizations for privately owned housing units moved up sharply for six consecutive months beginning in February, but declined by more than 5% at summer's end. The August permit numbers were a clear precursor of the fallback in starts we saw in September.

Through the first nine months of 1991, the total number of housing units started nationwide was 19.5% behind the rate for the first three-quarters of 1990. Single-family starts have fallen 11.1% below the year-ago pace, while starts in multiunit buildings are off an unprecedented 44.9%.

Despite the slight setback in September, most signs continue to point toward slowly improving conditions in residential construction markets. The upturn in permits, combined with low interest rates, steady or falling unemployment levels, and an improving U.S. economy are all positive factors that should make 1992 a considerably better year than any of the past three or four. □

Home Resale Rate Gains Stall

Sales of existing homes fell in both July and August, after five months of healthy gains. At an annualized rate of 3.25 million homes, the August sales rate was 12.1% above the January number; 9.5% below the rate of two months earlier.

The mid-September move by the Fed to lower interest rates may prove to be just what the housing market needs to regain some forward momentum.

The move will yield lower mortgage interest rates and should help stimulate the overall economy. □

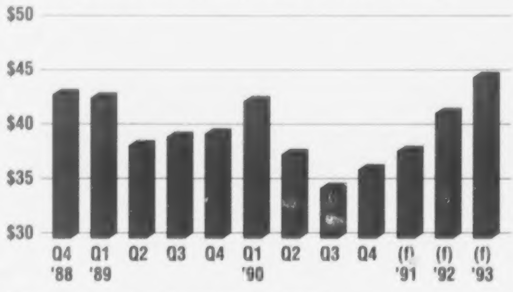
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
New Haven	+19.6%	$92,667	-2.7%	-4.0%
Trenton	-13.2%	$111,202	+5.0%	-1.9%
Jacksonville	+1.6%	$81,988	+26.0%	0.0%
Jackson, Miss.	+4.3%	$70,324	+4.2%	-0.2%
Oklahoma City	+34.2%	$91,323	+4.0%	-0.2%
Cleveland	-12.1%	$128,887	+9.9%	0.0%
Wichita	+7.0%	$69,500	+44.3%	+2.0%
Reno	-20.8%	$112,676	+3.3%	-0.4%
Oakland	-26.3%	$135,741	-2.2%	+0.5%

Sources: U.S. Departments of Commerce and Labor.

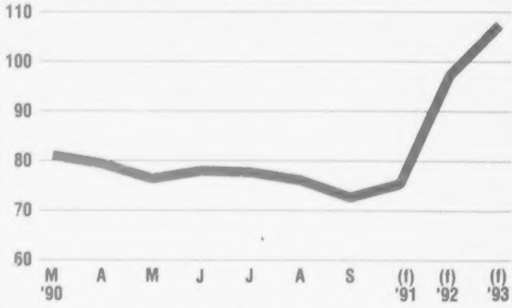
Consumer Spending On Residential Additions & Alterations



Data reflect seasonally adjusted annual rates, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Consumer Confidence Index

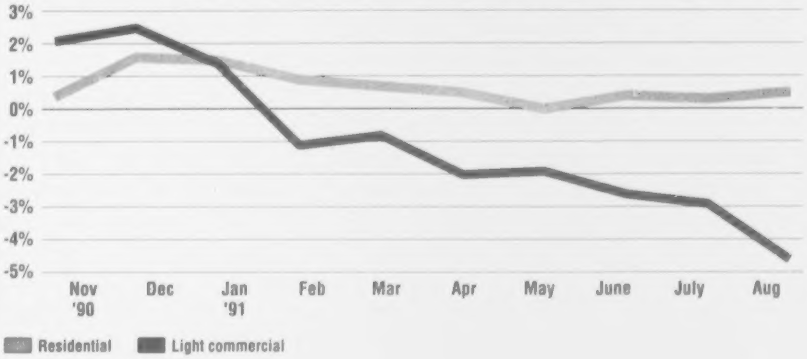
(1985=100)



Source: The Conference Board. Forecast: Cahners Economics.

INDICATORS

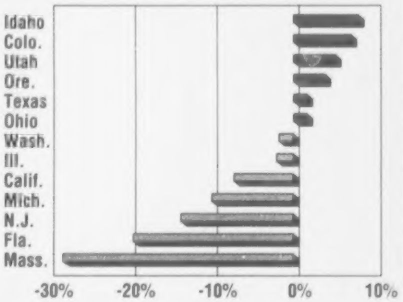
Remodeling Permit Trends – Residential & Light Commercial



Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce.

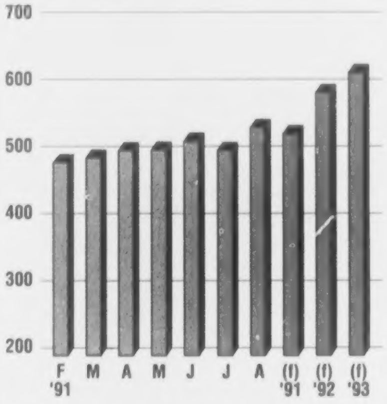
Construction Employment Trends

(June 1991 vs. June 1990)



Data reflect % change in employment for selected sites.
Source: U.S. Department of Labor.

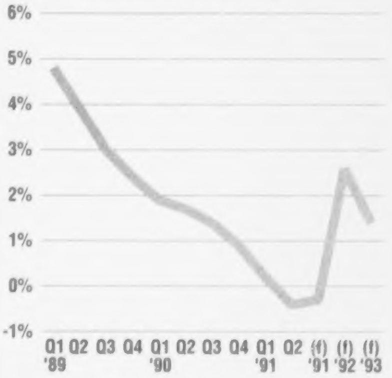
New Single-Family Home Sales



Data reflect seasonally adjusted annualized rates, in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Real Disposable Personal Income

(Over-The-Year % Change)



Source: U.S. Department of Commerce.
Forecast: Cahners Economics.

Key Trends At A Glance

	Aug '91	Dec '90
Total housing starts*	1,065,000	971,000
New home sales*	540,000	464,000
Remodeling permit trend	-2.5%	1.9%
Consumer confidence index**	75.1	61.2
Median new home price	$122,000	$127,000
Fixed-rate mortgages	9.41%	9.67%
Construction wage trend	+1.5%	+2.2%

* Seasonally adjusted annual rate.
** 1985 = 100.

Consumer Confidence Poised For Rebound

Consumer confidence levels have been discouragingly slow to recover from the depressed levels of the past year. Following a sharp 22-point gain in March—an understandable, if exaggerated reaction to the successful resolution of the Persian Gulf War—the Conference Board's composite confidence index stalled and, more recently, fell back to about the same level as that recorded a year ago.

Consumers are clearly skeptical about the timing and sustainability of the economic recovery. Americans are understandably slow to make commitments in the face of a still fluid and changeable economic environment.

Nevertheless, there are some good signs below the surface of the confidence numbers.

By the third quarter of next year, we expect to see confidence levels at or above the level that prevailed in mid-1990—just prior to the Iraqi invasion of Kuwait. The implications for home builders and remodelers are clearly positive. □

Special Report

The annual Cahners *1992 Economic Outlook* 50-page special report will be available in mid-December. The special price for *PB&R* readers is $21. To order, make check payable to Cahners Economics and mail to: Cahners Economics, P.O. Box 59, New Town Branch, Boston, MA 02258-9908. □

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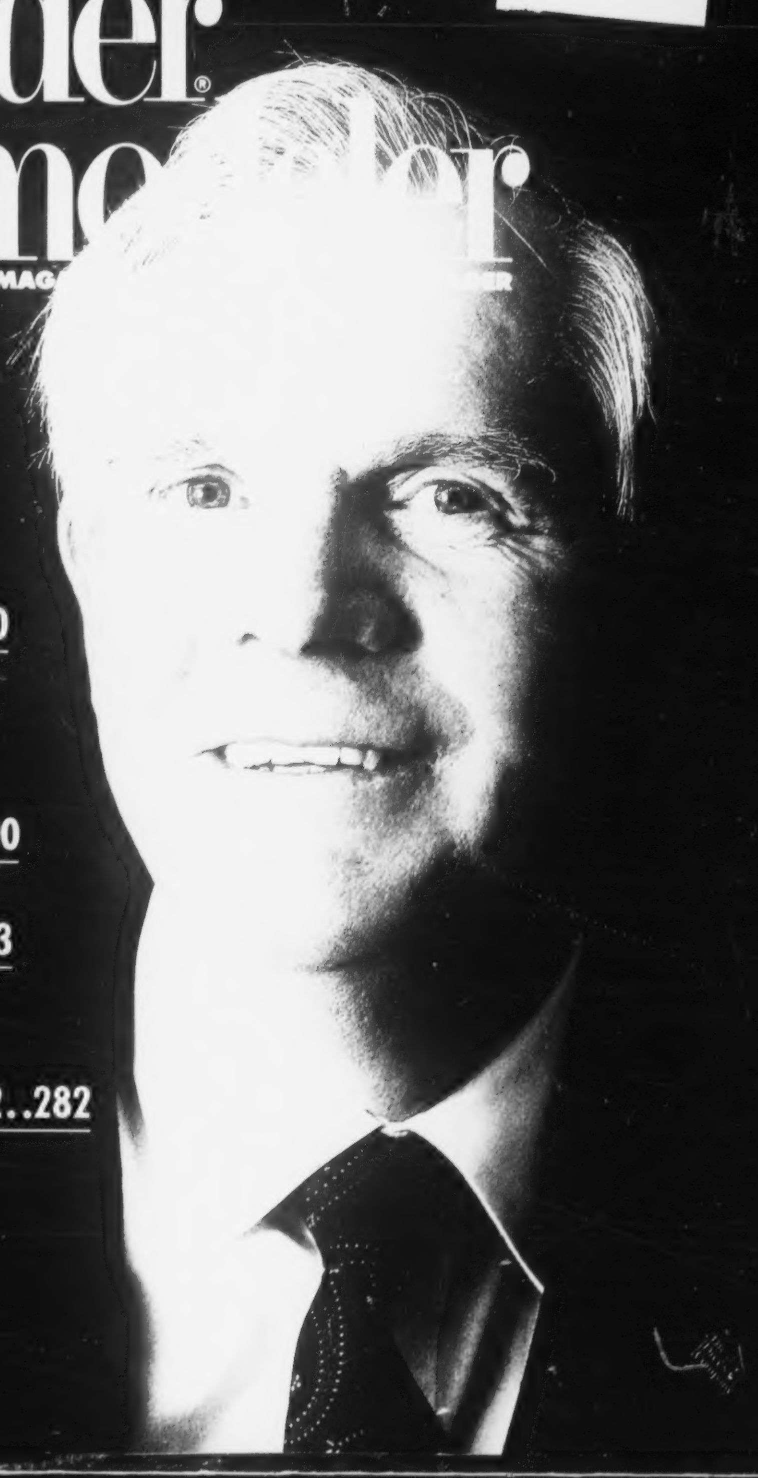

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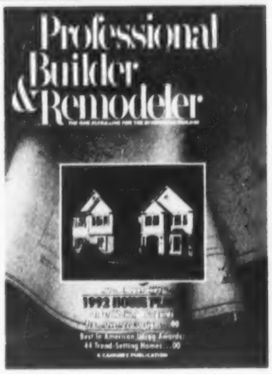

On The Cover

■ Our 1991 Builder Of The Year is Ralph A. Drees. His homespun management style transformed his company from a small, family-owned firm with $23 million in 1983 revenues into a diversified Giant with current year revenues of $166 million. The Drees success story begins on page 160. Photography by Marc Berlow.

Builder Of The Year: p. 160.

Industry achievement honor roll: p. 168.

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The Builder Of The Year 160

Each year, PB&R honors an individual for outstanding accomplishments in home building. In this, the silver anniversary of the American housing industry's preeminent award, the 1991 honor belongs to Kentucky builder, Ralph Drees.

1991 Professional Achievement Awards 168

For the 12th year, our editors recognize individual achievement in the housing industry. This year's winners embody leadership in eight key areas: Management, Remodeling, Recycling, Energy Efficiency, High-Density Housing, Water Conservation, Sales and Housing Finance.

Smarter, 'Better' Housing For The Money 178

In this issue, we introduce a new national awards program that recognizes innovation in housing.

A Change Of Face 200

Fine exterior remodeling is more than a coat of paint. Quality work complements a home's site and adds value.

Innovative new housing awards: p. 178.

1992 product outlook: p. 282.

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Business

■ Cahners Economics' 1992 business forecast calls for gradual improvement in starts, sales and spending, but plenty of obstacles lie ahead: *p. 14*. The first-time buyer market is strengthening, and smart builders have devised homes to fill this niche: *p. 26*.

Markets

■ *PB&R*'s NAHB "show tour" highlights the key designs and developments in Las Vegas: *p. 39*. If you think your company may qualify as an industry Giant, here's a way for you to let us know: *p. 43*.

Management

■ Doctors have money and will invest it in offices tailored to their needs. Here's the first of a three-part series on breaking into the medical construction market: *p. 93*.

Marketing

■ A public/private partnership offers Detroit's first new home subdivision in 30 years: *p. 118*.

Technology

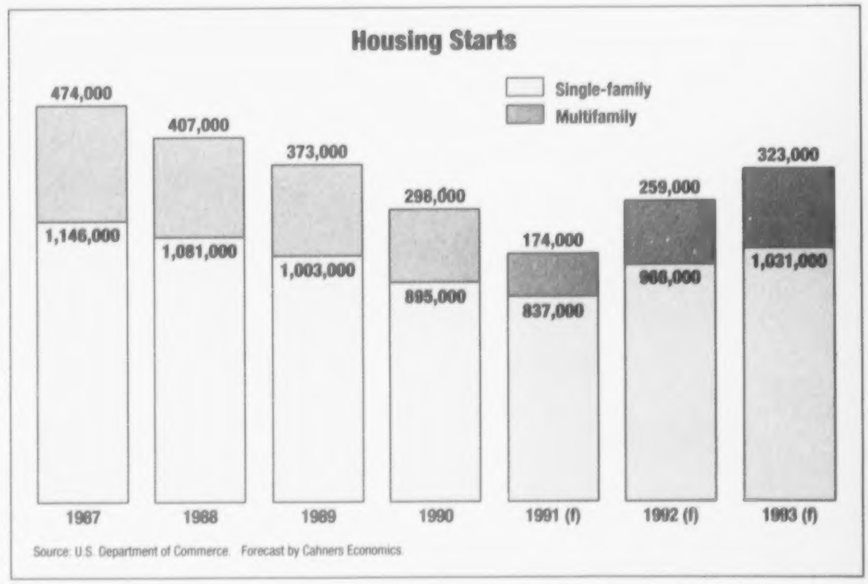
■ The home-automation market may turn the corner this year as some major players get ready to roll out new products: *p. 263*. HUD's new accessibility guidelines may draw builders into a regulatory maze: *p. 270*. NAHB's Research House is evaluating recycled and resource-efficient products: *p. 278*.

BUSINESS

■ INDUSTRY CHALLENGE

Forecast Calls For Gradual Improvement In Starts, Sales And Spending

While the worst days are over, there are plenty of economic obstacles ahead.



Source: U.S. Department of Commerce. Forecast by Cahners Economics.

In this issue, in place of the usual "Indicators" section, the staff of Cahners Economics takes its annual stab at forecasting what the year ahead will look like.

Our objective? To help you avoid the pitfalls and take advantage of the business opportunities that lie ahead. So here goes this year's attempt to see our way through 1992.

New Home Construction: New residential construction activity (the construction of single-family homes, condominiums and apartment buildings) declined to a level even lower in 1991 than the depths reached during the 18%-mortgage-rate days of 1982. The single-family sector was slow, but total starts for 1991 were about 25% higher than during the dark days of the 1981-'82 recession.

The construction of multifamily buildings, however, fell off the cliff. Total starts for this credit-starved and overbuilt sector were off an incredible 74% from 1984's peak.

Fortunately, recovery in residential construction markets became firmly rooted during the middle of last summer. Sales of both new and existing homes began rising steadily at that time, although not without a certain amount of unnerving hesitation.

Interest rates continued to ease lower, both business and consumer confidence inched up, and employment losses finally stabilized. As the year ended, there was concern about the plateauing of starts and sales numbers, but no real fear that these measures would regress to early-1991 levels.

Following an abysmal first quarter when total housing starts averaged only 915,000 units (seasonally adjusted annualized rate), starts moved up between April and July, averaging 997,000 units for the second quarter of the year. The average moved up to 1,046,000 units during the third quarter.

Still, for six consecutive months (December 1990 through May 1991) the annualized rate of new home construction was under one million units—the longest such streak of bad news since 1981-'82.

Although the market is hardly charging forward, the recovery is clearly underway and the trend is sustainably positive.

Through the first nine months of 1991, total starts averaged 986,000 units; the actual number of units started through September of last year was 19.5% below the total for the first nine months of 1990. However, the September 1991 rate of new housing starts was a very encouraging 22% above the January level.

Is the glass half full or half empty? Compared to where we'd like to be at this stage of the economic recovery, starts numbers for the final months of 1991 were not great, but things are looking up.

Unfortunately, building permit trends continued negative over the first three-quarters of 1991, despite the modest pick-up in home sales volume.

The value of permits authorizing new single-family home construction was down 9% through September of 1991, while the value of multifamily permits plunged 37.8%. Combined with our expectation of only a gradual and muted recovery from the general economic recession (resulting in weak gains in employment and income), this year's housing market recovery may be far from vigorous.

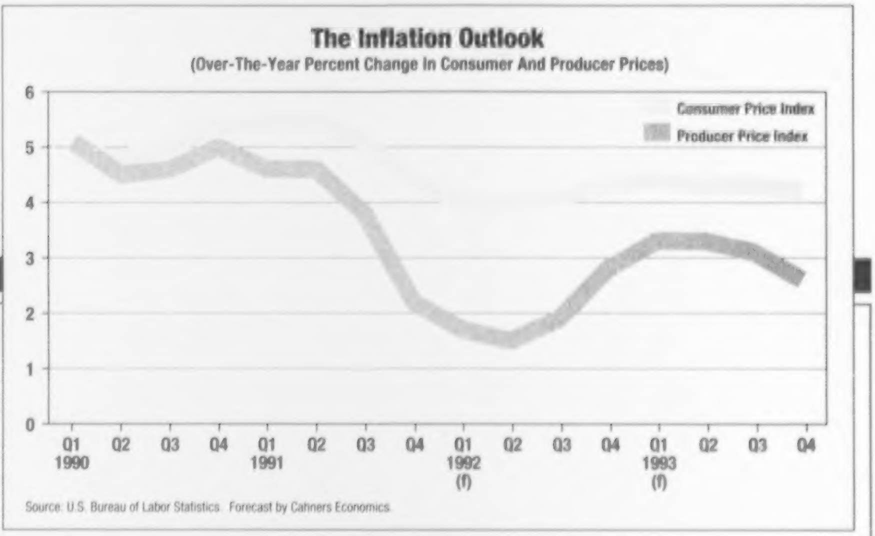
From about 1,011,000 starts in 1991, we expect 1992 starts to total 1,225,000 units—a gain of more than 21%, but an increase of only about half the rate we've seen during the first year of recovery from past recessions.

Residential Remodeling & Upkeep Spending: Although total residential upkeep and improvement spending grew virtually uninterrupted during the 1980s, the vast majority of this growth came from consumer spending on maintenance and repair work—not large remodeling projects.

Between 1980 and 1990, total upkeep and improvement spending grew by a cumulative 130.4%. During this period, however, the share of total consumer spending attributable to "improvement work" (i.e. additions and alterations, and major replacements) declined from 67.2% of the total in 1980 to 52% of the total last year.

Total upkeep and improvement spending reached a record-high

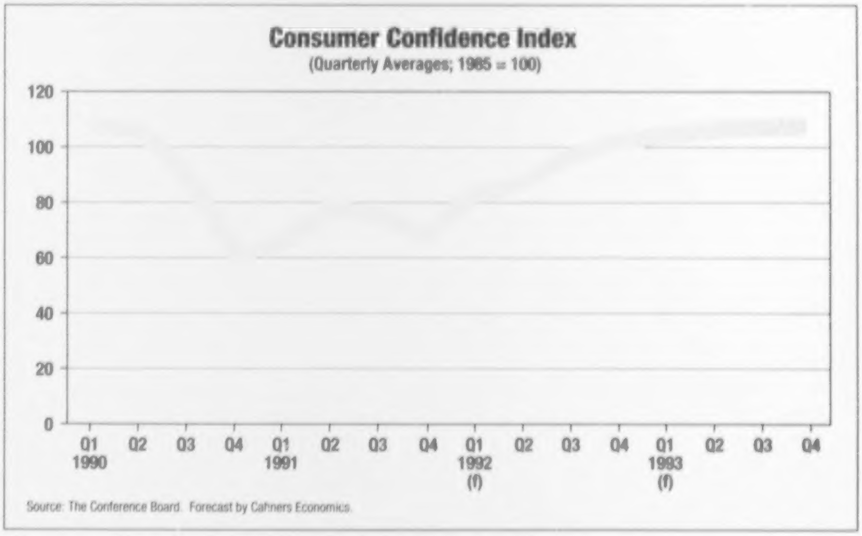
Continued on page 18.



The Inflation Outlook

(Over-The-Year Percent Change In Consumer And Producer Prices)

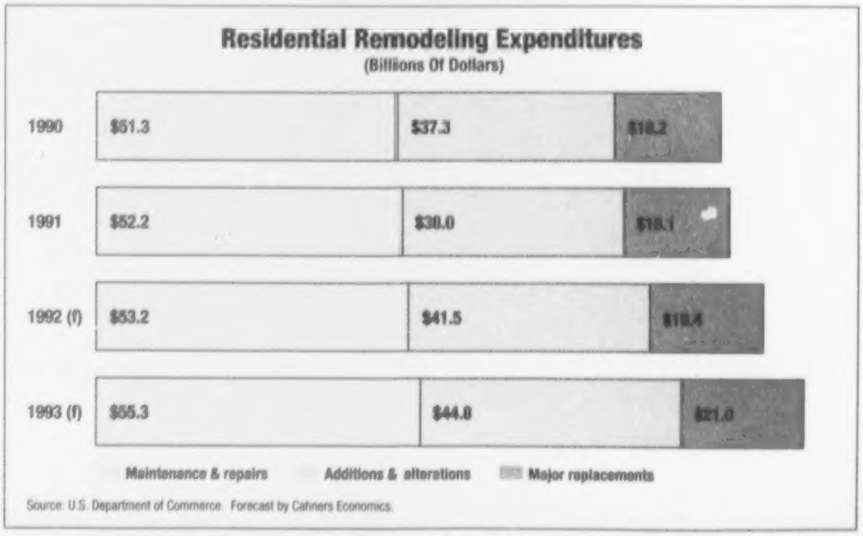
Source: U.S. Bureau of Labor Statistics. Forecast by Cahners Economics.



Consumer Confidence Index

(Quarterly Averages; 1985 = 100)

Source: The Conference Board. Forecast by Cahners Economics.



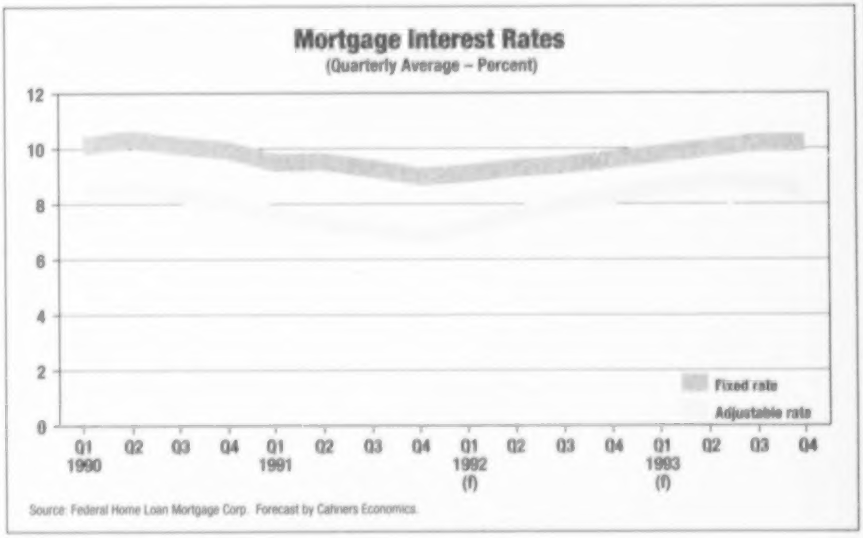
Residential Remodeling Expenditures

(Billions Of Dollars)

Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Low inventories and pent-up demand should pull residential markets out of the quicksand

Continued from page 15.



Source: Federal Home Loan Mortgage Corp. Forecast by Cahners Economics.

Top 1992 Markets For New Residential Construction & Residential Remodeling

(Dollar Value Projections Of Building Permits)

	New residential construction		Residential remodeling
1.	Los Angeles	1.	Los Angeles
2.	Phoenix	2.	Washington, D.C.
3.	San Diego	3.	New York City
4.	Dallas	4.	Detroit
5.	Houston	5.	San Francisco
6.	Las Vegas	6.	Philadelphia
7.	Atlanta	7.	West Palm Beach
8.	Minneapolis	8.	Minneapolis
9.	Honolulu	9.	Chicago
10.	Riverside-San Bernadino	10.	Honolulu

Forecast by Cahners Economics.

$106.8 billion during 1990. The rise appears only slightly above this level during 1991 (government data compilation and release has been notoriously slow).

The additions and alterations (i.e. "true" remodeling) portion of this total was approximately $38 billion. Remodeling spending (in contrast to the trend in the more discretionary maintenance and replacement categories) has declined for three consecutive years, in concert with new home construction spending.

Some cities stood out from the crowd as being excellent remodeling growth areas during 1991. But through nine months of the year, the total value of permits issued throughout the United States for residential remodeling jobs fell by a modest 1.2% (in sharp contrast to the almost 15% decline in permits for new home construction).

However, seven of the nine Census geographic divisions recorded increases in remodeling values through the first three-quarters of 1991.

The exceptions were in the downtrodden Northeast: remodeling in the New England states plummeted 14.2%, and remodeling permit values in the mid-Atlantic fell by 6.2%.

Other regions recorded gains of 1% to 3%, with the notable exception of the Rocky Mountain states, where permit values rose an exceptionally strong 11.8%.

On balance, we expect total residential upkeep and improvement spending work to increase by 5.4% in 1992, following a slight 1.4% gain in 1991.

Although 1992 looks better than any of the last three years, the modest increase still represents a continuation of the discouraging pattern of slow growth—at least when compared to the much healthier gains realized in the mid-1980s.

Light Commercial Construction Outlook: Commercial, industrial and institutional building construction markets weakened dramatically during 1991, insulated from most of the positive forces that helped spur recovery in residential markets. Growth in the comparatively healthy industrial and public construction sectors slowed markedly, while the downward spiral in commercial markets stabilized but showed no signs of turning around.

Building permit value trends for most of the private non-residential building sectors still suggest that we have yet to reach the bottom of this particularly painful cycle.

The total value of new commercial construction put-in-place during the first nine months of 1991

Continued on page 22.

Surveys showing low consumer confidence still reflect high interest in home buying

Continued from page 18.

was estimated at $42.1 billion, 23.9% below the level for the first three-quarters of 1990.

We continue to be bearish about the near-term outlook for non-residential building development and only slightly more optimistic about the years immediately following.

Total commercial construction spending fell by 25.1% last year and will probably gain back only a small fraction of this loss (a paltry 4.4% growth rate) in 1992.

These figures are in current (not inflation-adjusted) dollars, but both material and wage inflation in most construction sectors has been muted.

The problems besetting the commercial sectors are so severe as to be only marginally impacted by the trend toward lower interest rates and a recovering overall economy. Lower corporate profits and public deficits will further dampen growth in the heretofore healthy industrial and institutional sectors.

Commercial construction will show little real recovery through 1993. Whereas the past few years have seen the large losses in the office development sector offset by gains in the hotel and retail building sectors, 1991 evidenced large losses across the board. The total value of non-residential space put-in-place in 1992 and 1993 will increase, but only because of renewed gains in the industrial and public construction sectors.

By The Staff
Of Cahners Economics

Regional Housing Starts

	Northeast	Midwest	South	West
1987	269,000	298,000	634,000	420,000
1988	235,000	274,000	575,000	404,000
1989	179,000	266,000	536,000	396,000
1990	131,000	253,000	460,000	329,000
1991 (f)	111,000	229,000	417,000	286,000
1992 (f)	131,000	267,000	502,000	325,000
1993 (f)	160,000	289,000	528,000	377,000

Source: U.S. Department of Commerce. Forecast by Cahners Economics.

Price Changes For Selected Building Materials

(Annual Percent Change)

	1988	1989	1990	1991	1992 (f)	1993 (f)
All materials	5.6%	3.3%	0.1%	1.2%	3.3%	2.2%
Builders' hardware	4.3%	4.4%	4.1%	3.1%	2.7%	3.0%
Ceramic tile	3.3%	2.3%	1.8%	0.8%	2.8%	2.3%
Common brick	3.9%	0.8%	2.1%	1.7%	2.6%	1.9%
General millwork	3.4%	4.8%	2.2%	2.9%	4.1%	4.0%
Gypsum products	-9.8%	-2.5%	-4.4%	-4.1%	-1.4%	0.3%
Lighting fixtures	2.8%	4.8%	3.1%	2.6%	3.1%	3.0%
Lumber	3.3%	3.0%	-0.4%	0.3%	5.5%	4.5%
Plumbing fixtures	7.5%	7.0%	4.6%	4.8%	3.8%	4.2%
Prepared paints	3.8%	6.5%	4.4%	4.9%	4.1%	4.2%
Strip shingles	0.8%	-0.1%	1.3%	2.9%	1.1%	1.1%

Source: U.S. Bureau of Labor Statistics. Forecast by Cahners Economics.

Forecast At A Glance

- ☐ **Housing Starts: 966,000 single-family units; 1.22 million total.**
- ☐ **Home Improvement & Upkeep Spending: 5.4% increase to $114.1 billion, but remodeling will represent only about 36% of the total.**
- ☐ **Light Commercial: New construction down again, but rehab/renovation spending should be up 6%.**
- ☐ **Mortgage Interest Rates: Fixed rates will remain well below 10% for the entire year. Slow upward trend after mid-year as demand builds.**
- ☐ **Consumer Confidence: Gradual improvement as unemployment begins to fall. End-of-year levels will still be below pre-Kuwait measures.**
- ☐ **Building Materials Prices: Some acceleration in price hikes to an average of 3.3%, as demand picks up. No shortages foreseen.**

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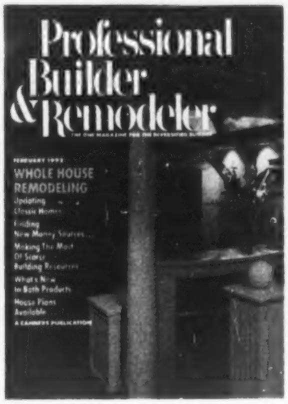

On The Cover

■ An individualized approach to whole house remodeling is seen here, in a Seattle, Wash., bungalow. A barrel vault in the new second-floor master bedroom is the canvas for a mural by Seattle artist Don Barrie; its subject the owner's six children as infants. Story begins on page 76. Photography by Roger Turk.

Smarter/Better Housing award winner: p. 92.

Resource management: p. 66.

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Making The Most Of Building Resources 66

Water, labor, land & lumber: Many industry figures fear the supply of these resources may be dwindling rapidly. Is there cause for alarm? Here's an overview of the problem and some practical advice on how to plan for it.

New Designs Revive Dated Homes 76

Whole house renovation may be likened to custom building: Each home is crafted as an individual expression of style and expertise. The four homes featured here exemplify imaginative approaches to remodeling.

Rein In Costs To Harvest Great Value 92

Phoenix buyers are hungry for high-quality homes at low costs. This month's "Smarter/Better Housing" award winner delivers just that in some cases, including a swimming pool at a below-$100,000 price tag.

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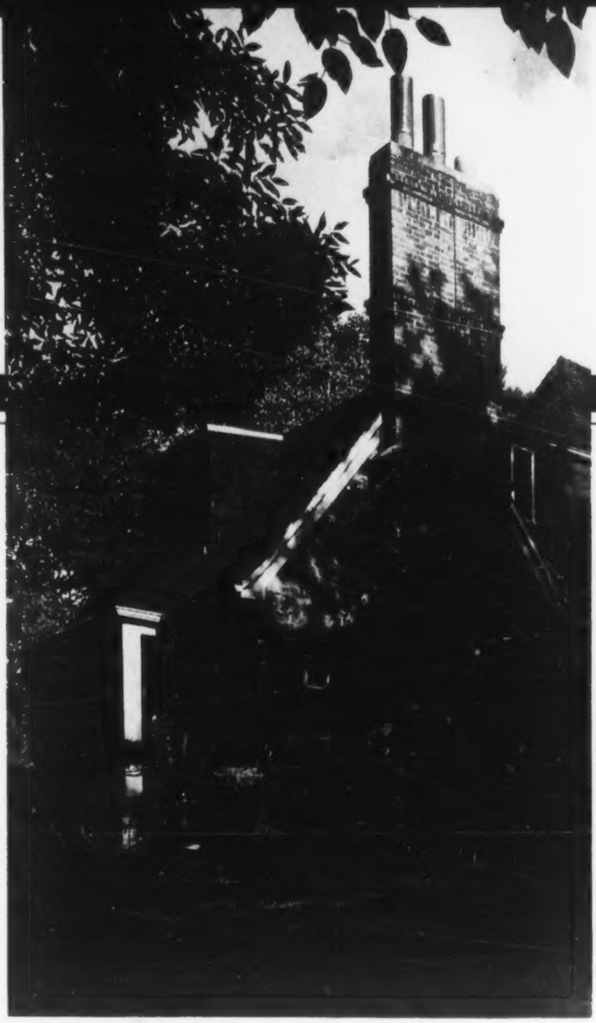

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Business

■ As the recession and low consumer demand blur perceptions, Washington debates whether there really is a credit crunch. Creative builders are finding new financial lifelines, but the big question remains: will enough money be there when the buyers come back: *p. 14.* During a *PB&R* Round Table, industry professionals provided candid commentary on the problems plaguing the building industry: *p. 20.*

Markets

■ A unique office remodeling posed construction challenges: *p. 37.* A North Carolina builder finds success building one spec home a year: *p. 42.*

Marketing

■ A distinctive "Hollywood-style" set generates traffic at one Colorado-based builder's new-home community: *p. 57.* Landscaping options appeal in a tough market: *p. 60.*

Technology

■ After three years of research & development, a new stock-plan service for *remodelers* is rolling out blueprints: *p. 107.*

Next Month

■ In our March issue, we present the "Giant 100," the housing starts leaders for 1991, plus a look at affordable housing strategies and new trends in kitchen and bath design.

■ REMODELING

How To Get Work From An Architect

By Steven Martindale,
President,
Transferable Systems
Inc. (TSI), Columbia, Md.

It amazes me when I see the negative opponent relationship most remodeling contractors have with architects. Architects can be an economical source of leads for larger remodeling jobs, which have a design flair. These jobs can often win design awards that can then be converted into effective PR through local newspapers.

Negative feelings toward architects often stem from blue-collar pride. Contractors find all the functional mistakes on a blueprint and develop the opinion that any carpenter knows more than any architect.

Architects feel a responsibility to the client to point out quality problems and keep the contractor from charging too much, causing the client to feel that the contractor is trying to get away with things.

Contractors point out obvious design errors and charge for change orders, causing the client to mistrust the architect.

It doesn't have to be this way. A contractor can be a big help to the architect in the design process—pointing out design flaws, cost-efficient methods of construction and helping with ballpark budgets.

A contractor can be a big help to the architect in the design process—pointing out design flaws, cost-efficient methods of construction and helping with ballpark budgets.

When pursuing work with architects, it helps to understand their criteria.

☐ Quality craftsmanship: They will check out your references and look at your work. Nothing is worse to the architect than the contractor's inability to complete the project as it was envisioned. Remember, architects are artists who want their art brought to life.

☐ Representation of the architect's interest: The architect wants a team player who will minimize hassles, work out conflicts with clients or subs, and make the project look great to the client.

☐ Projects on budget: Architects hate change orders they don't initiate. Go over the plans with a fine-tooth comb before the project starts. Be sure details are corrected and measurements are accurate.

☐ Projects on time: Schedule the job, write up material lists, and negotiate subcontracts before starting. Charge an administrative fee for change orders. You can't make money on them, and the project loses steam. Help the architect to make changes prior to, rather than during, the project.

When working with architects, keep a few things in mind: 1.) Do other marketing for your bread and butter. Architectural work is sporadic. 2.) Don't take "one-of-a-kind" jobs where details are defined or changed as the project progresses unless they are cost-plus with administrative fees. 3.) Stay away from architects who won't let you make a fair profit.

Export/Import Council To Form Group In Europe

The U.S. Department of Commerce has awarded a $500,000 grant to the American Building Products Export/Import Council to organize the Consortium of American Housing Industries In Eastern Europe.

The Consortium will help U.S. manufacturers of housing and building products find export opportunities in Eastern Europe, says ABPEIC's chairman Michael Carusone.

Carusone, president of Northern Homes, Hudson Falls, N.Y., visited Poland with the Secretary of Commerce to lay the groundwork for the Consortium program. Carusone's company exports factory-built housing to Japan, Israel and Europe.

Under the program, ABPEIC is opening field offices in Warsaw and Budapest through which it will promote U.S. building products and technology. □

Ten Years' Change In Import & Export Building Products

Prefab wood buildings imports:	**959%**
Prefab wood buildings exports:	**70%**
Plumbing fixtures imports:	**75%**
Plumbing fixtures exports:	**0%**
Concrete products imports:	**654%**
Concrete products exports:	**-43%**
Gypsum products imports:	**213%**
Gypsum products exports:	**171%**
Builders hardware imports:	**535%**
Builders hardware exports:	**128%**

Source: U.S. Dept. of Commerce; American Building Product Export/Import Council.

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Transferable Systems, Inc.	138,147	**48,49**
Valeo	8	**5**
Velux-America, Inc.	17	**7**
Weather Shield Mfg., Inc.	24-25	**11**
Wenco, Division of Jeld-Wen	30-31	**75**
Weslock	64-65	**29**
Wolverine Technologies, Inc.	50-51	**23**

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INDICATORS

Better News On The Housing Starts Front

Continued decline in interest rates boosts both single- and multifamily housing starts.

The recovery in residential construction markets appeared to solidify with the release of housing market-related data for the month of October. Following a period of several months, when we seemed to be taking one step forward for one step back, we finally took several big steps forward in October.

Interest rates continued to fall, reaching their lowest point in almost 15 years. Housing starts surged, led by gains in the moribund multifamily sector. Sales of both new and existing homes moved up following a four-month period of stagnation.

Still, although there is no reason to think that the housing market recovery will sputter and stall again in the coming months, a few worrisome signs do bear watching. Consumer confidence has dropped to a dangerous and inexplicably low level, household income gains continue to be meager, and employment declines continue unabated.

Fortunately, there is encouraging—although not definitive—evidence that we've reached the bottom for all of these important leading indicators. The improvements in residential markets should be sustainable through the new year. □

Two Regions Post Permit Upswings

Through the first 10 months of 1991, total housing starts nationwide totaled 874,000 units—17.1% below the level recorded for the same period last year. The West fared the worst in 1991, with year-to-date starts running 26.1% below 1990's rate.

In the South, the year-to-date decline has been 15.7% of the year-earlier pace, while the drop in the Northeast was 16%.

The Midwest, which did not enjoy the benefits of the 1980s boom, also was spared the pain of the bust; starts through 10 months of 1991 were off a less-severe 8.3%.

The over-the-year decline in building permit values grew smaller as the year progressed. Through 10 months of 1991, total residential permit values for the entire nation fell 11.3% from 1990's pace.

Housing markets in two regions have turned around—permit values in the Oil Patch states rose 12.4% from their 1990 rate and values in the Rocky Mountain states moved ahead 8.4%. □

Regional Market Conditions

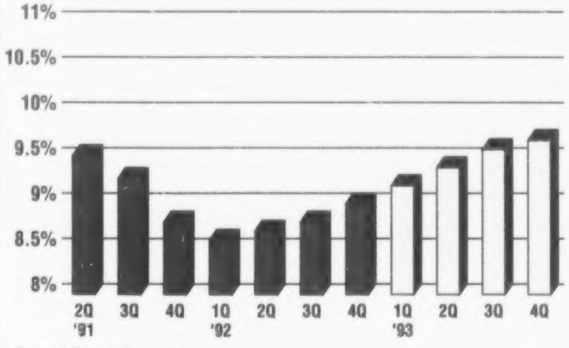
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Portland, Maine	-4.2%	$92,668	-17.0%	-4.4%
Harrisburg, Pa.	-11.6%	$85,448	+10.8%	-0.7%
Orlando	-22.0%	$91,969	-3.4%	-1.0%
Knoxville	-10.0%	$68,457	-2.5%	-1.0%
San Antonio	+20.1%	$65,108	+11.9%	+0.5%
Milwaukee	+2.0%	$113,208	+8.3%	+0.8%
Omaha	+17.7%	$72,918	-4.2%	+4.7%
Salt Lake City	+27.8%	$90,742	+11.7%	+2.9%
San Diego	-16.7%	$176,318	-14.3%	-1.0%

Sources: U.S. Departments of Commerce and Labor.

Mortgage Interest Rate Forecast

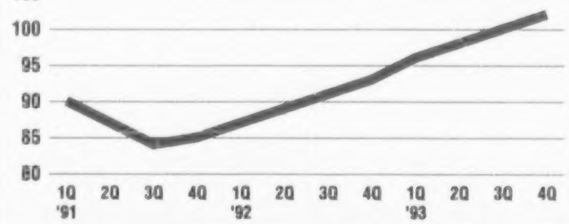
(Quarterly Average, Fixed Rate)



Forecast: Cahners Economics.

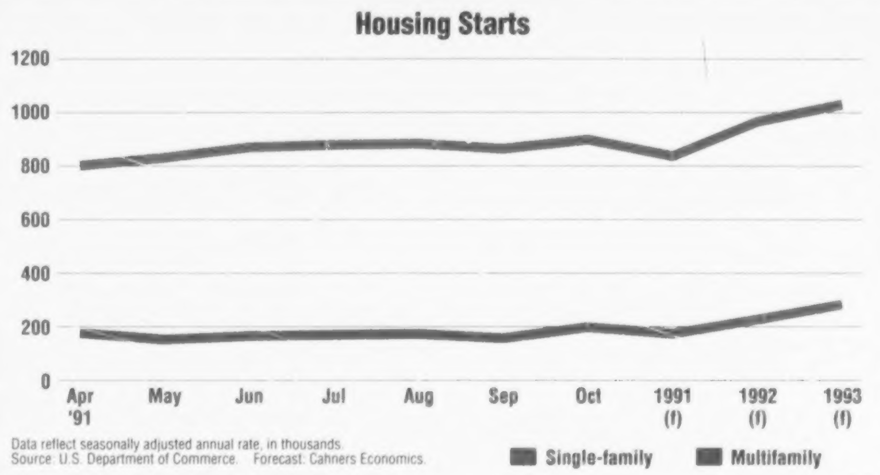
PB&R Market Activity Index

(1987=100)



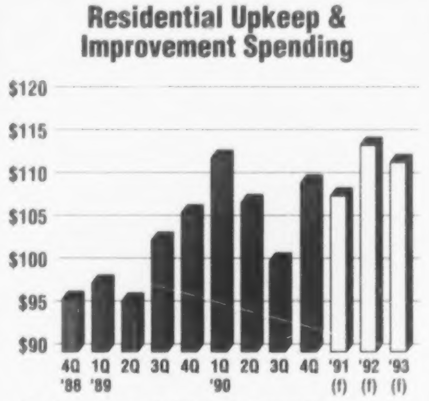
Index represents weighted average of forecast trends in residential, remodeling and light-commercial construction markets. Data expressed in "real" terms, i.e. adjusted for the effects of inflation.

Forecast: Cahners Economics.



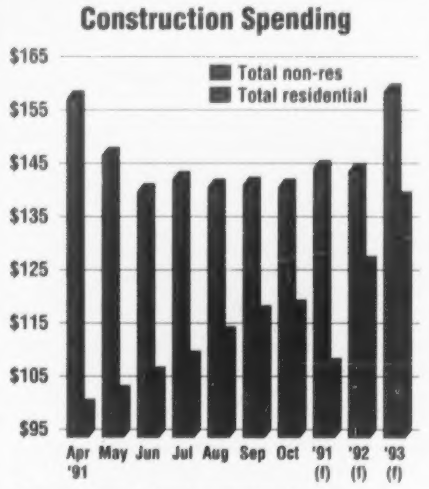
Housing Starts

Data reflect seasonally adjusted annual rate, in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.



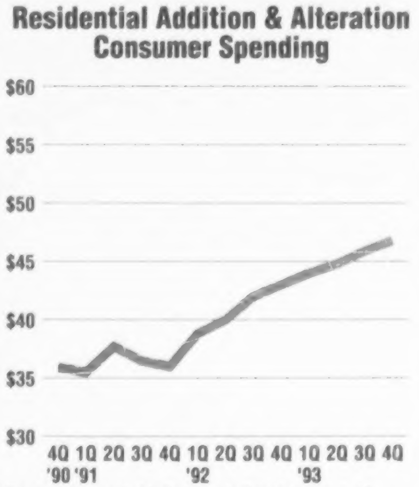
Residential Upkeep & Improvement Spending

Data reflect seasonally adjusted annualized rates in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.



Construction Spending

Data reflect seasonally adjusted annualized rates in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.



Residential Addition & Alteration Consumer Spending

Data reflect seasonally adjusted annualized rates, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Key Trends At A Glance

	Oct '91	Feb '91
Total housing starts*	1,096,000	992,000
New home sales*	513,000	488,000
Remodeling permit trend	-1.5%	-3.3%
Consumer confidence index**	60.4	59.4
Median new home price	$122,900	$119,900
Fixed-rate mortgages	8.86%	9.37%
Construction wage trend	+1.2%	+1.6%

* Seasonally adjusted annual rate.
** 1985 = 100.

Home Improvement Spending Sluggish

Analysis of recent trends in residential remodeling work has been hampered this year by the lack of timely data. The Commerce Department has yet to release any 1991 data from their quarterly survey on "Expenditures for Residential Improvements and Repairs" (the "C-50" report).

In the absence of the "C-50" data, here is some data that may give a hint of what happened.

Maintenance and repair spending has been the strongest component of residential improvement and upkeep activity during the past several years. Total spending for these lower-cost, often do-it-yourself kinds of projects grew by 6.9% in 1988, by 4.4% in 1989, and by 20.2% during 1990.

Through nine months of 1991, retail sales at home improvement stores were running 0.5% above the year-earlier pace, while hardware store sales were off by 1.2%. These data suggest that maintenance and repair spending grew marginally during 1991.

Trends in residential improvement work can be discerned through review of building permit data and through the government's monthly "C-30" report ("Value of New Construction Put-in-Place").

The value of building permits issued nationwide for residential additions, alterations and conversions declined by 1.5% from 1990 levels over the first 10 months of last year. Similarly, over the first three-quarters of the year the "C-30" report showed improvement spending was off 9.2%. □

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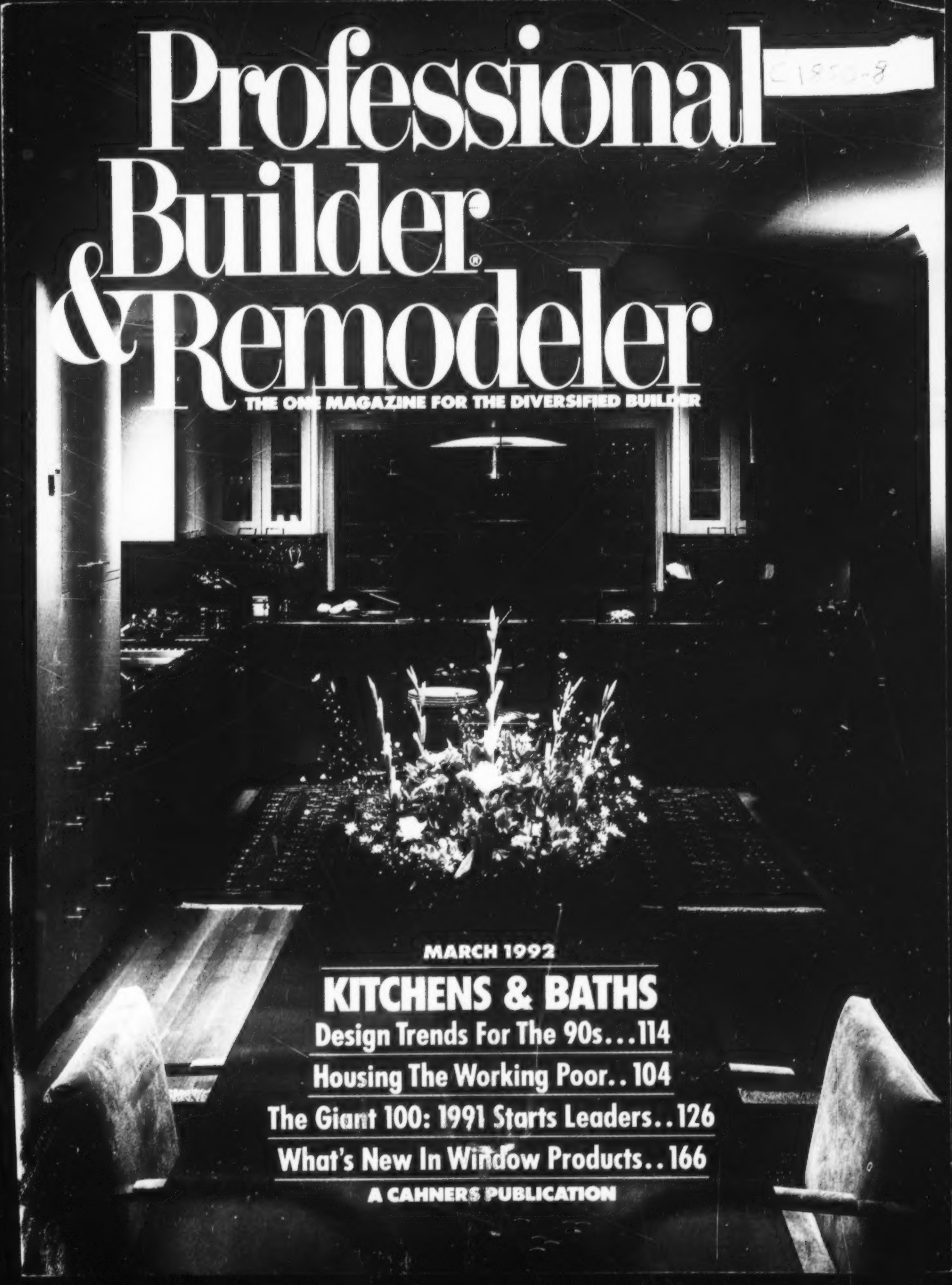

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On The Cover

■ The remodeling of this Seattle kitchen was done by Schultz Miller Inc., with design work handled by Robert Clark. Story begins on page 114. Photography by Roger Turk Northlight Photography.

The affordable housing challenge: p. 104.

Convention coverage: p. 16.

FEATURES

Industry Challenge: Building Affordable 104

With markets depressed and interest rates at attractive levels, home builders can tap into a burgeoning first-time buyer bonanza. Still, a bigger question remains: Can we house the working poor?

Kitchens & Baths With Buyer Appeal 114

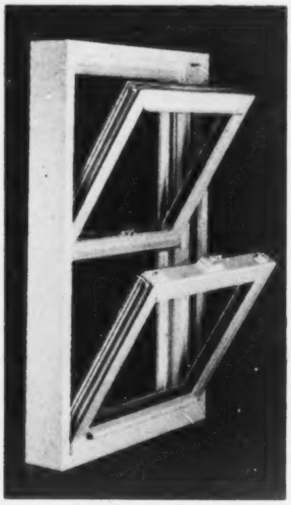
Whether building new or remodeling, close attention to details will transform reluctant consumers into purchasers. Here's an assortment of ideas to create exciting wet rooms.

The Giant 100: 1991 Housing Starts Leaders 126

The returns from a tough year are in, and there are plenty of new names appearing on PB&R's Housing Starts Leaders list for 1991.

New kitchen & bath design trends: p. 114.

MARCH 1992



Window products: p. 166.

Business

■ Regulatory issues and the economic outlook, capped off by the Administration's pro-housing tax proposals, were the focus of 1992's Home Builder Show in Las Vegas: *p. 16.*

Management

■ Doctors have money and will invest it in offices built to fit their individual practices. This special "design lab" shows how to meet their needs: *p. 31.* Here's a remodeling challenge: Create a bright, contemporary interior in a 100-year-old Victorian home: *p. 46.*

Marketing

■ A "well-orchestrated" advertising campaign combines musical themes with sound design: *p. 77.* A landscape architect shows how to design a model trap: *p. 94.*

Technology

■ A third party endorsement is one of many profitable marketing advantages for builders involved in utility energy programs: *p. 153.* A new research house features advanced products in concrete masonry, such as interlocking foundation walls: *p. 162.*

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INDUSTRY CHALLENGES

BUILD AFFORDABLE

We Can Tap The First-Time Buyer Bonanza, But Can We House The Working Poor?

By Senior Editors Susan Bady and William H. Lurz

Young families looking for their first home find a great value at Avalon, in the high desert community of Rosamond, Calif. West Venture Development Co. builds detached houses priced from $88,990 to $108,990, for 928 to 1524 square feet. Architect is Dalton Designs of Phoenix.
Photo: Robb Miller

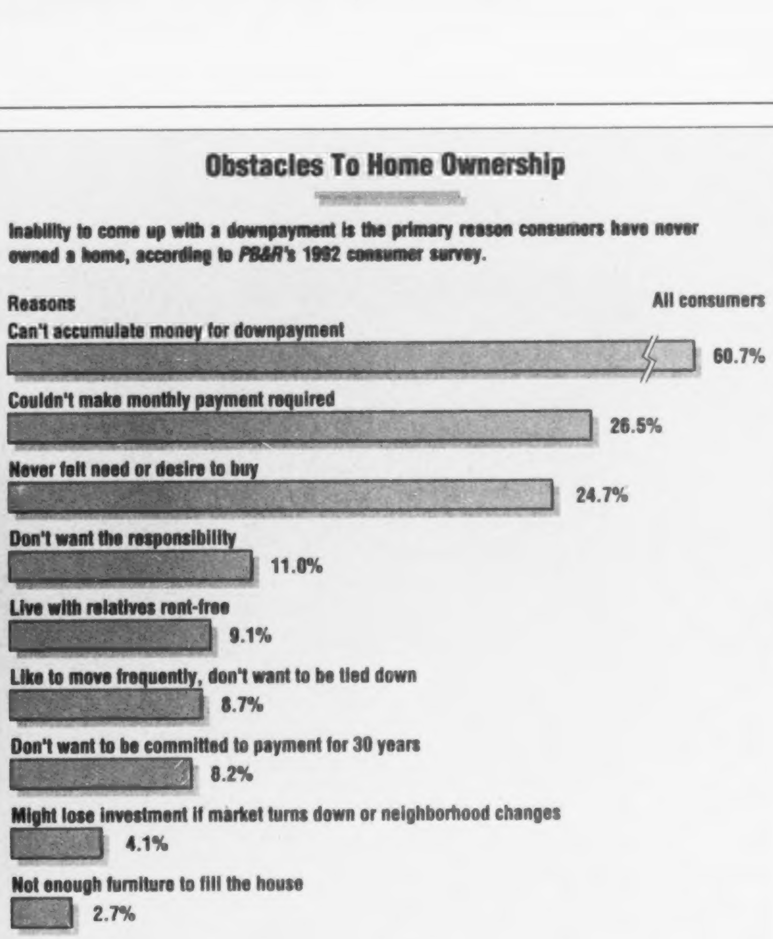
Affordability is an attribute builders associate with housing designed for young, first-time buyers. That target market threatens to define 1992. But be careful. Those who *broaden* their perception of where affordability applies are more likely to succeed.

Crashing mortgage rates are prying the affordability window open. With rates under 8.5% in many markets, young, two-income couples now qualify for home ownership more easily than at any time since the mid-1970s. Builders who concentrated on move-up buyers for most of the last decade have suddenly rediscovered the traditional family formation market.

"Move-ups are sellers first, buyers second," explains one Midwestern builder. "Most are having trouble unloading their current homes. First-time buyers don't

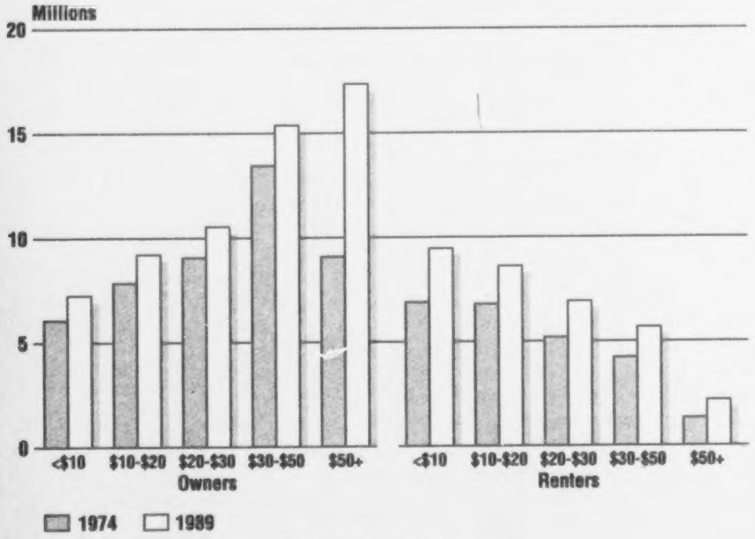
Obstacles To Home Ownership

Inability to come up with a downpayment is the primary reason consumers have never owned a home, according to *PB&R*'s 1992 consumer survey.



Source: PB&R 1992 Consumer Survey.

Households By Income



Note: Income (in thousands of 1989 dollars) is for families and primary individuals.

Source: Joint Center for Housing Studies of Harvard University. Tabulations by Joint Center of the 1974 and 1989 American Housing Survey.

NAHB economists predict $5000 tax credit will pump $20 billion into economy

have to sell to buy. They only need to qualify. We've been able to tap that market with attached product below $110,000 in price."

Home sales in many markets turned up dramatically in January, and it is the low end of the price spectrum—and the first-time buyer—that dominates. President Bush's proposed stimulus package also targets first-time home buyers as the engine of economic recovery.

"We got 150% of what we asked for in the State-of-the-Union address," says Cincinnati builder and NAHB president Jay Buchert. Foremost in that package is a $5000 tax credit for 1992 first-time home buyers, retroactive to sales made from February 1 forward. It may be split and applied to two or more tax returns.

NAHB economists predict the Bush package, which also allows first-time home buying couples to withdraw up to $20,000 from personal Individual Retirement Accounts without penalty, will dramatically alter housing production. They see a swing to single-family construction, with a slight drop in multifamily (rental) starts, resulting in a surge in overall housing starts—to 1.4 million this year.

Cahners Economics traces the ripple impact of building a single new home, at the 1991 average sales price of $147,700, this way:

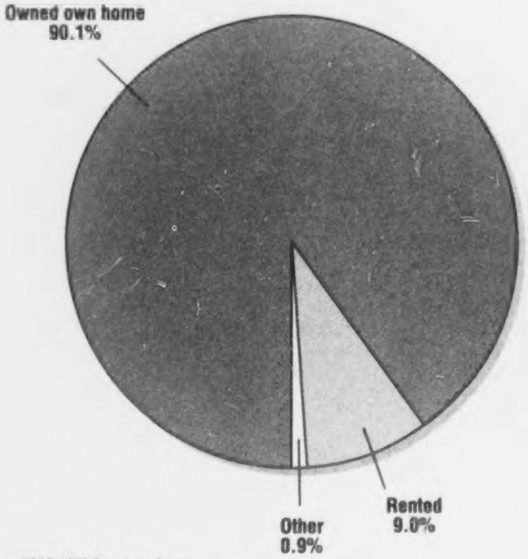
☐ Building materials purchases: $58,618,
☐ Construction wages: $16,236,
☐ Non-residential building: $157,515,
☐ Gas, electric, telephone utility payments: $2029,
☐ Peripheral first-year retail purchases: $7016,
☐ Wages in manufacturing sector: $10,280,
☐ Wages in wholesaling/transportation: $9193,
☐ Wages in mining/land development, etc: $9840,
☐ Local real estate tax payments: $1591,
☐ Federal and state income tax payments: $11,387,
☐ Federal corporate income tax payments: $3976,
☐ Social security tax payments: $1822.

That means $289,503 in direct and indirect expenditures result from building one house. NAHB's projected 215,000 unit increase in starts would create an economic stimulus of $62,243,145,000.

No wonder builders can hardly wait to jump on the first-time buyer bandwagon. However, proceed cautiously. The first-time buyer market is a bonanza today, but there are reasons to approach it warily if you don't

Did Your Parents Own Or Rent?

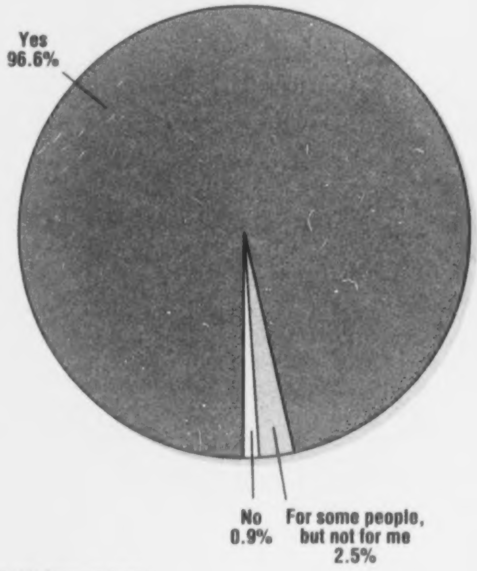
The overwhelming majority of consumers surveyed by *PB&R* said their parents owned their own home.



Source: PB&R 1992 Consumer Survey.

Is Home Ownership Desirable?

Nearly all consumers said home ownership is a desirable goal. But considering renters' incomes, reaching that goal is another matter.



Source: PB&R 1992 Consumer Survey.

What Do You Like About Renting?

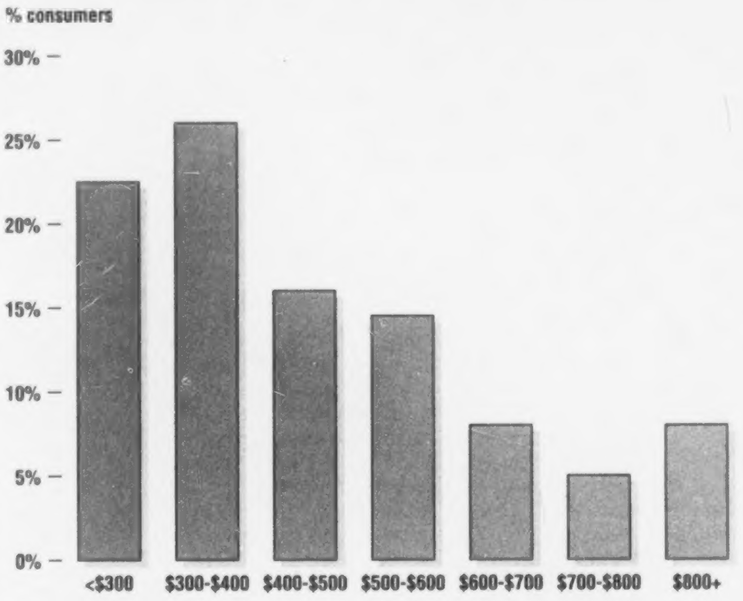
Renters like to rent because it's a low-maintenance proposition. There is also less financial responsibility involved.

What they like	All consumers
Less maintenance	60.8%
Less financial responsibility	41.7%
Not being tied down	30.2%
Cheaper than owning	24.6%
Easier to move	20.1%
Closer to work	16.6%
More relaxed lifestyle	8.0%
Closer to social activities	6.0%

Source: PB&R 1992 Consumer Survey.

Current Monthly Rents

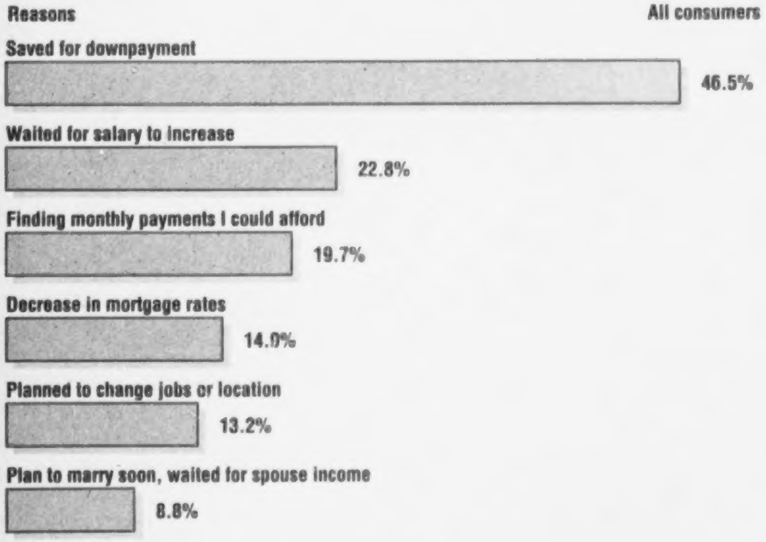
Nationwide, consumers are paying an average of $469 per month in rent (median, $411). About one-fourth of consumers pay between $300 and $400 a month for rent.



Source: PB&R 1992 Consumer Survey.

Why Did You Delay A Home Purchase?

Almost half of the consumers surveyed delayed buying a home because they were saving for a downpayment. Others were waiting for a salary increase or looking for affordable monthly payments.



Source: PB&R 1992 Consumer Survey.

What Don't You Like About Renting?

Renters commonly perceive that they get nothing for their money. They also lack privacy and a sense of belonging.

Dislikes	All consumers
Get nothing for money	85.8%
No privacy	43.2%
No sense of belonging	41.6%
Less security	17.4%
Little individuality	16.0%
Don't know my neighbors	6.8%

Source: PB&R 1992 Consumer Survey.

Hughes finds the pool of first-time buyers shrinking rapidly

already have the product in the 1992 pipeline.

This is especially so if builders are unable to cut into bureaucratic and political resistance to affordable housing, and actually target ownership housing to the previously disenfranchised working poor of America.

Rutgers University demographer James W. Hughes recently unveiled his study of home ownership and affordability, published in Fannie Mae's quarterly *Housing Policy Debate*. Hughes finds that the pool of potential first-time buyers is shrinking rapidly.

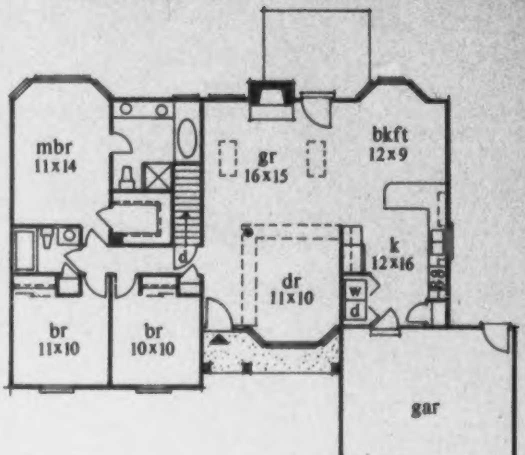
"Housing demand's critical mass is shifting," writes Hughes. ". . . population and households between the ages of 35 and 54 years—the span of peak housing consumption—will account for virtually *all* of the national growth increments in the 1990s. Even in 'hot' growth areas, such as the key migration destinations of California and Florida, more than one-half of the population growth between 1990 and 2000 will take place in the middle-age brackets (35 to 54 years)."

A phenomenon Hughes calls *the vanishing young adult* results from "a maturing 'baby bust' generation . . ." He sees America losing 15.5% of its 25-to 34-year olds—almost 6.8 million persons—in this decade. Aggregate entry-level housing demand will go through a decade-long slide, Hughes writes.

Questioned about the depth of the pent-up demand for entry-level housing now emerging, Hughes says, "There are about a million to a million-and-a-half unsatisfied, potential first-time buyers out there. The current bubble of sales will last only 1½ to two years.

"If there's a pool of existing housing, demand for new construction will more likely be in the trade-up market," says Hughes. But because the demand below them on the ownership ladder is declining, 1990s move-ups will be increasingly concerned about *affordability*, says Hughes. "Builders may be better served by building affordable move-up houses that free *their* houses for first-time buyers."

A major element of Hughes' research also cautions builders against treating first-time buyers, move-ups, or any component of housing demand as homogenous. "The major dynamic of the past 30 years has been . . . the surging growth of single-parent families, singles . . . and unmarried couples . . . At the turn of the 20th century, only one of 20 American households



Base price of $89,900 for the Rosewood model, plan and photos, includes three bedrooms, two full baths, two-car garage, full basement and a long list of standard features. Interior design by Clifford A. Rufkahr.

Photos: Alise O'Brien

Top Value In A First Home

Crow Rufkahr Homes, St. Charles, Mo., packs more value into an affordable house than its competitors. That's why sales at Oak Burl Estates are averaging 5½ units per month in a weak market.

The Rosewood model, shown, is a 1540-square-foot ranch with a full basement and two-car garage, priced at $89,900. Ed Crow says the home appeals to move-ups and retirees as well as first-time buyers.

"We offer more in the way of standard features than most builders in this price range, such as wood cabinets, self-cleaning ranges, and cultured-marble tubs and showers," says Crow. "Not too many builders offer that as standard in the $80,000 to $100,000 range." Options include fireplaces, wood decks, screened porches and skylights.

Since models opened in May 1991, 39 homes have been sold. Architecture is by New Trend Design, St. Charles.

Hard costs for the Rosewood are $48.65 per square foot. ☐

Affordable move up is the market with depth in the 1990s

consisted of a person living alone. By 1990, one out of four households consisted of a single person."

Add to this diversity the dynamics of income: Real income growth has been essentially flat since 1973. But as people and households mature, so do their incomes, which bodes well for maturing families in the 1990s. Baby-boomer couples who stay together should make up a lot of lost ground in real income. But working in opposition to that dynamic is the fragmentation of households. When families break up, they create market components distinctly focused on affordability.

Incomes of married couples ($38,547), particularly those with wives in the labor force ($45,266) and those where both spouses are year-round, full-time workers ($52,993) are at the top of the income ladder. Incomes of female-led families ($16,442) and non-family households ($17,115) are at the bottom.

And even though NAHB estimates the drop in mortgage rates from 9.5% to 8.5% added two million qualified buyers to the market, the greatest barrier to affordability is not qualifying income but cash to close, say affordability analysts.

"The big question is whether this tax credit can overcome the damage done to the delivery system," says Florida developer Tim Leadbetter, a 1990 *PB&R* achievement award winner for affordable housing. "Smaller builders tend to be the primary source for affordable product. In Florida, they are all out of business, unable to get capital."

With prices of existing homes dropping, that market can take up many first-time buyers, says Leadbetter, but not the truly disenfranchised. "You've got to have good credit, and not many service-sector employees and other poor workers have it today," says Leadbetter. They have to be able to show income security, and they have trouble with that one too. "Finally, you've got to have cash to close, usually at least $5000. When HUD changed the FHA downpayment requirements, it took away whatever gain was available from declining interest rates."

The rental market, the traditional source of housing for low-income workers, is still paralyzed by recession, FIRREA and the 1986 tax law. "Rents won't pro-forma today to cover debt service as well as operating costs," says Charles Buki, director of American Institute of

Rentals For Service Workers

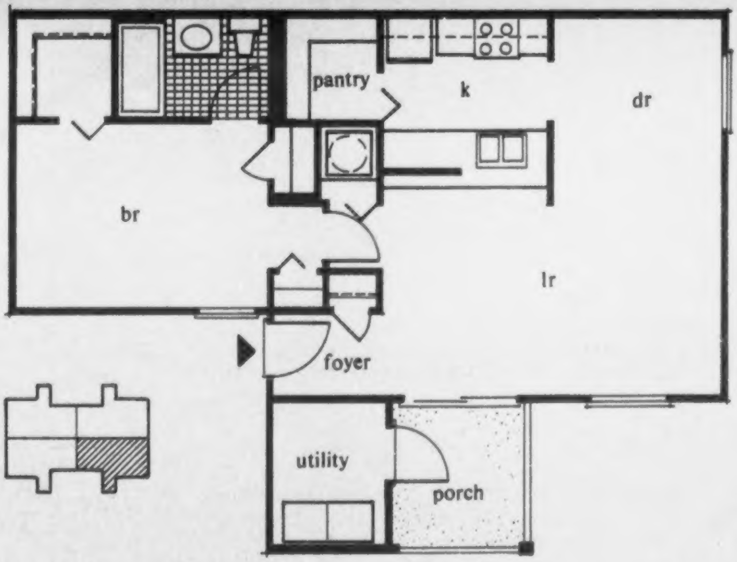
Low- and moderate-income families employed by service industries can find affordable rental housing at Crestwood Apartments in St. Cloud, Fla.

Ronnie Davis, the owner, developer and builder, financed the project through a conventional loan, applied for tax credits and syndicated Crestwood. Syndication fees, applied to development costs, enabled Davis to keep rents $100 to $200 lower than conventional rates in the Orlando-Kissimmee-St. Cloud area.

Renters typically work at Disney World or fast-food restaurants, with incomes in the $15,000 to $20,000 range.

Rents range from $325 a month for a one-bedroom unit to $450 for a three bedroom. Apartments are 723 to 1083 square feet.

Crestwood was completed in August 1991 and is 97% occupied. The general contractor was Davis & Sons Construction Co., Gainesville. Design is by Lewis Brown Jr./Architect, Gainesville. ◻



Man-made lake, above, is an attractive site feature. Crestwood offers amenities, such as a clubhouse and pool, not usually found in affordable rentals. One-bedroom unit, plan, contains 723 square feet. Photos: Howard Falk

Can tax credit overcome a damaged delivery system for affordable housing?

Architects' Search For Shelter program.

The President's package also calls for making low-income tax credits permanent. Most of the rental projects built in 1991 took advantage of such credits. And finally, the biggest news for multifamily builders is the President's inclusion of restoration of passive-loss provisions allowing builders to offset non-rental income with rental losses from properties they build.

The other good news on the affordability front has nothing to do with Presidential politics. Rather, it comes from the grassroots. Alliances of builders with disenfranchised consumers, through non-profit organizations that represent them, are beginning to break the logjam of local opposition to affordable housing.

"We cannot build housing on our own that people with annual incomes under $25,000 can afford," says Buchert. "And the reason is not the cost of construction, it is the cost of restrictive regulation, exclusionary zoning and NIMBY political opposition.

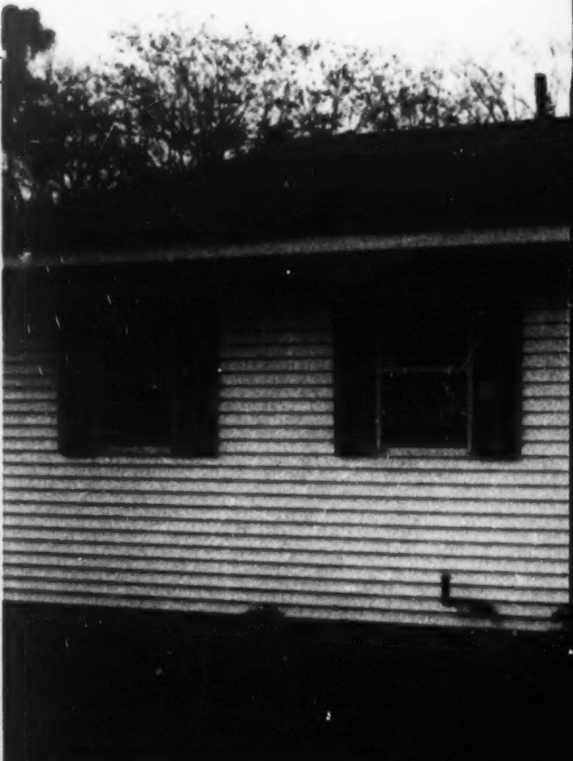
"I'm doing a project right now with Cincinnati Housing Partnership," says Buchert. "It's all under the Federal Home Loan Bank Board's affordable program . . . land development right through construction, all at a discounted rate."

The CHP is run by a nun, explains Buchert, and she had no trouble getting access to capital. Buchert got his portion of the work as a general contractor through competitive bidding. "We get 1000- to 1500-square-foot detached houses priced from about $55,000 to $65,000. We do all the production. Sister Ann Rene takes care of the marketing."

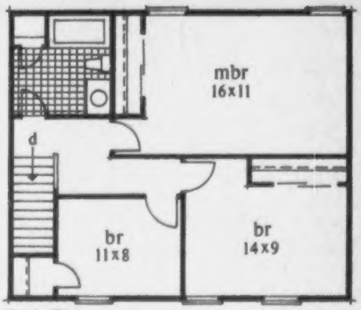
Non-profits are excellent, Buchert says, at what the builder and lender can't afford to do: the paperwork associated with qualifying low-income people and processing their loan applications.

The margins on such low-income housing are not large, says Buchert, but "it's not bad work; we're glad to have it." And he is glad to have the non-profit organization on his side to fight regulatory barriers to affordable housing. "They now see what we're up against, and how important this battle is."

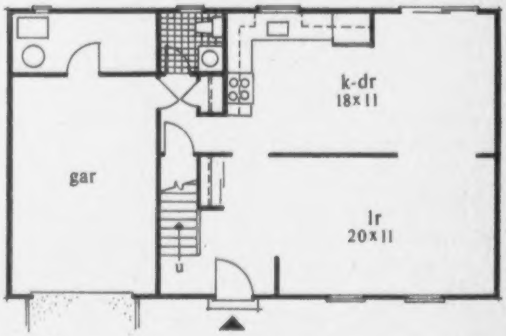
While 1992 may be the year of the traditional first-time buyer, builders may do well in years to come by moving both up and down in price from that target—while keeping their focus on affordability. □



The Long Island Housing Partnership has delivered 53 affordable homes. More are in the pipeline. Ranch and two story, plan, are shown.
Photos LIHP



2nd FL



1st FL

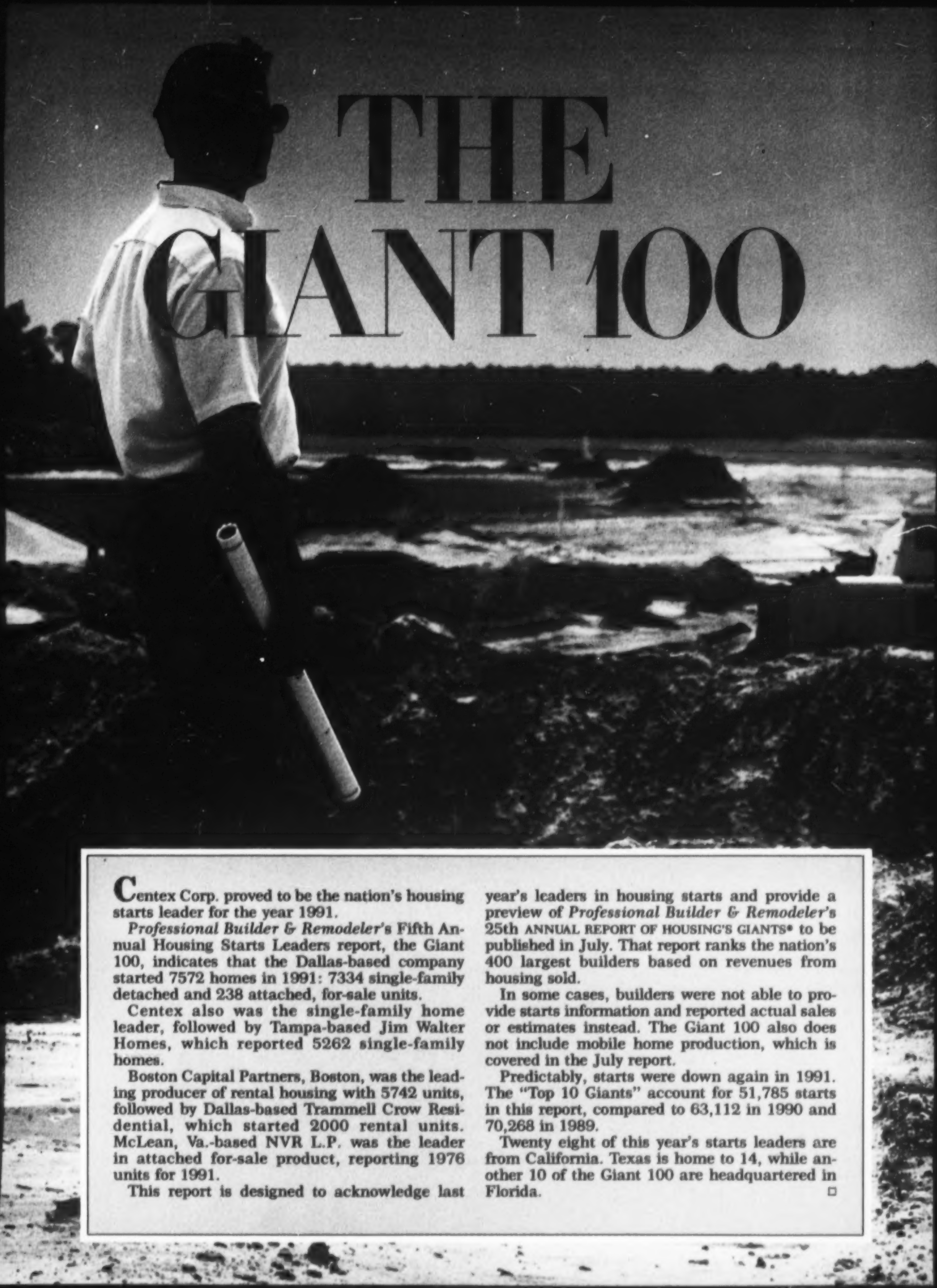
An Effective Partnership

The Long Island Housing Partnership, a consortium of public- and private-sector members, was formed in 1987 to alleviate the critical shortage of affordable housing on Long Island.

The partnership enables young Long Island families to buy their first homes, says Peter J. Elkowitz Jr., vice president.

As a non-profit developer, the LIHP has delivered 53 single-family houses to date. Detached homes are 1250 to 1450 square feet. Selling prices range from the $60,000s to about $80,000. Elkowitz says the homes have been appraised at 1½ to two times market value. "A comparable starter home on Long Island would cost about $140,000," he says.

Programs are underway in Islip (29 units), Amityville (72 units), and Manorville (72 units). The New York State Affordable Housing Corp. provides a $25,000 grant per house to help bring selling prices below $100,000. □



THE GIANT 100

Centex Corp. proved to be the nation's housing starts leader for the year 1991.

Professional Builder & Remodeler's Fifth Annual Housing Starts Leaders report, the Giant 100, indicates that the Dallas-based company started 7572 homes in 1991: 7334 single-family detached and 238 attached, for-sale units.

Centex also was the single-family home leader, followed by Tampa-based Jim Walter Homes, which reported 5262 single-family homes.

Boston Capital Partners, Boston, was the leading producer of rental housing with 5742 units, followed by Dallas-based Trammell Crow Residential, which started 2000 rental units. McLean, Va.-based NVR L.P. was the leader in attached for-sale product, reporting 1976 units for 1991.

This report is designed to acknowledge last year's leaders in housing starts and provide a preview of *Professional Builder & Remodeler*'s 25th ANNUAL REPORT OF HOUSING'S GIANTS® to be published in July. That report ranks the nation's 400 largest builders based on revenues from housing sold.

In some cases, builders were not able to provide starts information and reported actual sales or estimates instead. The Giant 100 also does not include mobile home production, which is covered in the July report.

Predictably, starts were down again in 1991. The "Top 10 Giants" account for 51,785 starts in this report, compared to 63,112 in 1990 and 70,268 in 1989.

Twenty eight of this year's starts leaders are from California. Texas is home to 14, while another 10 of the Giant 100 are headquartered in Florida. □

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1991 Starts
1	Centex Corp. 3333 Lee Parkway Dallas, TX 75219 Laurence E. Hirsch	7334	238	0	7572
2	PHM Corp. (Pulte) 33 Bloomfield Parkway, #200 Bloomfield Hills, MI 48013-2155 William Pulte	na	na	na	6814
3	Ryland Group Inc. 10221 Wincopin Circle Columbia, MD 21044 Roger Schipke	na	na	na	6594
4	Boston Capital Partners Inc. 313 Congress St. Boston, MA 02210 John P. Manning	0	0	5742	5742
5	Jim Walter Homes Inc. 1500 N. Dale Mabry Hwy. Tampa, FL 33607 Robert W. Michael	5262	0	0	5262
6	Weyerhaeuser Real Estate Co. Building WRE-2 Tacoma, WA 98477 C. Stephen Lewis	4410	317	0	4727
7	Kaufman and Broad Home Corp. 10877 Wilshire Blvd. Los Angeles, CA 90024 Bruce Karatz	3676	780	0	4456
8	NVR L.P. 7601 Lewinsville Rd., Ste. 300 McLean, VA 22102 Dwight C. Schar	2264	1976	0	4240
9	U.S. Home Corp. 1800 W. Loop South Houston, TX 77252-2863 Robert J. Strudler	3393	582	0	3975
10	The William Lyon Cos. 4490 Von Karman Newport Beach, CA 92658 William Lyon	1889	514	0	2403

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1991 Starts
11	Trammell Crow Residential 2001 Ross Ave., #3500 Dallas, TX 75201 J. Ronald Terwilliger	300	40	2000	2340
12	Lewis Homes Group of Cos. P.O. Box 670 Upland, CA 91785 Ralph M. Lewis	2016	52	229	2297
13	Lennar Corp. 700 N.W. 107th Ave. Miami, FL 33172 Leonard Miller	1612	659	0	2271
14	UDC-Universal Development LP 4812 S. Mill Ave. Tempe, AZ 85282 Gary A. Rosenberg	na	na	na	2170
15	Hunt Building Corp. P.O. Box 9368 El Paso, TX 79984 M.L. Hunt	44	372	1718	2134
16	Hovnanian Enterprises Inc. 10 Highway 35 Red Bank, NJ 07701 Kevork S. Hovnanian	895	1201	0	2096
17	Schottenstein (M/I) Inc. 41 S. High, #2410 Columbus, OH 43215 Irving E. Schottenstein	2073	0	0	2073
18	Del Webb Corp. P.O. Box 29040 Phoenix, AZ 85038 Philip J. Dion	1892	0	0	1892
19	A.G. Spanos Construction 1341 W. Robinhood Dr. Stockton, CA 95207 Alex G. Spanos	0	1802	0	1802
20	M.D.C. Holdings Inc. 3600 S. Yosemite St. Denver, CO 80237 Larry A. Mizel	1700	4	0	1704
21	Harkins Builders Inc. 12301 Old Columbia Pike Silver Spring, MD 20904 J.P. Blase Cooke	0	128	1361	1689
22	Weekley Homes Inc. 1300 Post Oak Blvd., #1000 Houston, TX 77056 David M. Weekley	1600	0	0	1600
23	GBW Properties 520 S. Lafayette Park Pl. Los Angeles, CA 90057 Jay H. Wilton	0	0	1555	1555
24	Continental Homes Holding 7001 N. Scottsdale Rd., #2050 Scottsdale, AZ 85250 Donald Loback/Kathleen Wade	1480	0	0	1480
25	Shea Homes 655 Brea Canyon Rd. Walnut, CA 91789 Roy Humphreys	1158	0	274	1432
26	Fieldstone Co. 14 Corporate Plaza Newport Beach, CA 92660 Peter M. Ochs	1228	155	0	1383
27	Barry, Bette & Led Duke Inc. P.O. Box 12789 Albany, NY 12212 Donald R. Led Duke	0	428	854	1282
28	Rayco Inc. (Ellison Homes) P.O. Box 5250 San Antonio, TX 78201 Jack H. Willome	1270	0	0	1270
29	Morris General Building Co. P.O. Box 3632 Chatsworth, CA 91313 G.L. Morris	6	1000	250	1256
30	Lincoln Property Co. 500 N. Akard Dallas, TX 75201 A. Mack Pogue	0	0	1250	1250
31	Lexington Homes Inc. 1156 W. Shure Dr. Arlington Heights, IL 60004 Ronald J. Benach	623	579	0	1202
32	Robertson Homes 6653 Embarcadero Stockton, CA 95219 Barton R. Robertson	20	0	1176	1196
33	Forecast Group 10670 Civic Center Dr. Rancho Cucamonga, CA 91730 James Previti	1171	0	0	1171

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1991 Starts
34	Coscan Development Corp. P.O. Box 428 Toronto, Canada, M5X 1H9 L. Ross Cullingworth	422	729	0	1151
35	Universal Constructors P.O. Box 28 McMinnville, TN 37110 Larry D. Elliott	0	0	1145	1145
36	Picerne Properties 75 Lambert Lind Hwy. Warwick, RI 02886 Ronald R.S. Picerne	50	620	465	1135
37	Drees Co. 211 Grandview Dr., #300 Covington, KY 41017 Ralph A. Drees	825	198	75	1098
38	Flournoy Construction P.O. Box 6566 Columbus, GA 31995-6566 John F. Flournoy	0	0	1054	1054
39	Lokey Cos. 1800 Bering Dr., #200 Houston, TX 77057 Kenneth R. Lokey	25	0	1015	1040
40	Roberts Properties Inc. P.O. Box 28744 Atlanta, GA 30328 Charles S. Roberts	27	0	996	1023
41	Summit Properties 212 S. Tryon St., #500 Charlotte, NC 28281 William F. Paulsen	0	0	1018	1018
42	Epoch Properties Inc. 359 Carolina Ave. Winter Park, FL 32789 James H. Pugh Jr.	0	0	1016	1016
43	Friendswood/Village Builders P.O. Box 2567 Houston, TX 77001 Robert Bradley	1006	0	0	1006
44	Beazer Properties Inc. 945 East Paces Ferry Rd. Atlanta, GA 30326 R.D. Stephens	992	0	0	992
45	Lowder Construction Co. 2000 Interstate Park Dr. Montgomery, AL 36142-0001 James K. Lowder	178	0	812	990
46	Standard Pacific L.P. 1565 W. MacArthur Costa Mesa, CA 92626 Ronald R. Foell	862	0	0	862
47	Arthur Rutenberg Homes Inc. 13922 58th St. North Clearwater, FL 34620 Arthur Rutenberg	755	92	0	847
48	Edward Rose Building Ent. P.O. Box 937 Southfield, MI 48037 Sheldon Rose	45	0	800	845
49	Van Daele Development 2900 Adams St., Ste. C25 Riverside, CA 92504 Michael Van Daele	532	200	103	835
50	Tompkins Heritage Homes 9799 Old St. Augustine Rd. Jacksonville, FL 32257 Thomas N. Tompkins	825	0	0	825
51	Embrey Associates 750 E. Mulberry St., Ste. 500 San Antonio, TX 78212 Walter Embrey	0	0	824	824
52	Bozzuto & Associates 6401 Golden Triangle Dr., #200 Greenbelt, MD 20770 Thomas S. Bozzuto	0	136	678	814
53	Levitt Corp. 7777 Glades Rd., #410 Boca Raton, FL 33434 Elliott M. Wiener	347	216	224	787
54	Wimpey (George) Inc. 3565 Seventh Ave. San Diego, CA 92103 David Heppell	786	0	0	786
55	Toll Brothers Inc. 3103 Philmont Ave. Huntingdon Valley, PA 19006 Robert I. Toll	590	195	0	785
56	Watt Industries Inc. 2716 Ocean Park Blvd. Santa Monica, CA 90406 Raymond A. Watt	780	0	0	780

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1991 Starts
57	Anden Group 15260 Ventura Blvd., Ste 1700 Sherman Oaks, CA 91403 Eugene Rosenfeld	538	241	0	779
58	Hughes-Patwil Homes P.O. Box 6181 Harrisburg, PA 17112 Eugene Bastian	773	0	0	773
59	Blazer Building 10101 Harwin, Ste. 300 Houston, TX 77036 Chris Richardson	0	0	768	768
60	Highland Homes 12880 Hillcrest, #202 Dallas, TX 75230 Rodger Sanders	763	0	0	763
61	Rottlund Co. 5201 E. River Rd. Fridley, MN 55421 David Rotter	200	561	0	761
62	Signature Homes (Nevada) 801 South Rancho Dr., #E-4 Las Vegas, NV 89106 Richard Plaster	486	268	0	754
63	Calton Inc. 500 Craig Rd. Freehold, NJ 07728 Anthony J. Caldarone	498	237	0	735
64	Warmington Homes 3090 Pullman St., Ste. A Costa Mesa, CA 92626 James P. Warmington	724	0	0	724
65	Mercedes Homes 1600 W. Eau Gallie Blvd. Melbourne, FL 32935 Keith Buescher	723	0	0	723
66	Woodcrest Development Inc. 17911 Mitchell Ave. Irvine, CA 92714 Ronald J. Gilles	603	119	0	722
67	Holtzman & Silverman Const. 30833 Northwestern Hwy., #300 Farmington Hills, MI 48334 Gilbert Silverman	147	40	525	712
68	Wallick Const./Gemstar Homes P.O. Box 1023 Columbus, OH 43216 Jack L. Wallick	117	579	0	696
69	Meeker Development Co. 3187-A Airway Ave. Costa Mesa, CA 92626 George R. Meeker Jr.	695	0	0	695
70	Washington Homes Inc. 1802 Bright Seat Rd. Landover, MD 20785 Geaton A. DeCesaris Jr.	304	388	0	692
71	Castle & Cooke Properties 10900 Wilshire Blvd. Los Angeles, CA 90024 David Murdock	393	152	128	673
72	Falcon Development Corp. 2290 South Jones Blvd., #110 Las Vegas, NV 59102 Mark Doppe	535	0	136	671
73	Kimball Hill Inc. 5999 New Wilke Rd. Rolling Meadows, IL 60008 David K. Hill Jr.	300	351	0	651
74	Wieland (John) Homes P.O. Box 87363 Atlanta, GA 30337 John Wieland	650	0	0	650
75	Landstar Homes 510 Elkwood Ct. Kissimmee, FL 34743 Rodolfo Stern	649	0	0	649
76	Hills Developers Inc. 7420 Montgomery Rd. Cincinnati, OH 45236 Stephen Guttman	15	372	256	643
77	DiVosta & Co. 4500 PGA Blvd., #400 Palm Beach Gardens, FL 33418 Otto B. DiVosta	198	438	0	636
78	Baldwin Co. 16811 Hale Ave. Irvine, CA 92714 James Baldwin	482	130	0	612

Rank by starts	Company, location, principal officer	For-sale, detached units	For-sale, attached units	Rental units	Total 1991 Starts
79	Amrep Corp. 10 Columbus Circle New York, NY 10019 Lawrence T. Perlmutter	416	72	130	618
80	**Century Homes Communities 1535 South D St., #200 San Bernardino, CA 92408 John Pavelak**	602	0	0	602
81	Akins Development 5 Park Plaza, Ste. 400 Irvine, CA 92714 Bruce Akins	84	75	442	601
82	**Bramalea California Inc. One Park Plaza, #100 Irvine, CA 92714 Peter B. Perrin**	43	548	0	591
83	Royce Homes Inc. 14614 Falling Creek/Ste. 250 Houston, TX 077068 Michael G. Manners	585	0	0	585
84	**Home Capital Dev. Group 707 Broadway, #1600 San Diego, CA 92185-0027 Larry Faigin**	569	11	0	580
85	Randall Group 9500 S. W. Barbur Blvd., #300 Portland, OR 97219 Robert D. Randall	0	0	575	575
86	**Evans Withycombe Inc. 6991 E. Camelback Rd., #A-200 Phoenix, AZ 85251 Stephen O. Evans**	20	0	553	573
87	Inco Homes P.O. Box 970 Upland, CA 91785-0970 Ira Norris	569	0	0	569
88	**S&A Custom Built Homes 501 Rolling Dr., Ste. 200 State College, PA 16801 Don Haubert, Robert Poole**	495	73	0	568
89	Pacific Scene Inc. 3900 Harney St. San Diego, CA 92110 Tawfiq Khoury	188	77	300	565
89	**Cambridge Homes Inc. 800 S. Milwaukee Ave., Ste. 250 Libertyville, IL 60048 Richard J. Brown**	417	148	0	565
91	Gentry Homes P.O. Box 295 Honolulu, HI 96809 Joseph J. Ramia	0	552	0	552
92	**Owings & Terry Homebuilding P.O. Box 7679 Marietta, GA 30065 S. Kent Owings**	550	0	0	550
93	Oriole Homes Corp. 1690 S. Congress Ave. Delray Beach, FL 33445 Richard D. Levy	169	380	0	549
94	**General Homes Corp. 7322 Southwest Freeway Houston, TX 77074 James W. Olafson**	535	0	0	535
95	Winncrest Homes 9985 Folsom Blvd. Sacramento, CA 95827 Thomas P. Winn	532	0	0	532
96	**Coleman Homes Inc. P.O. Box 9336 Bakersfield, CA 93389 Thomas Coleman**	529	0	0	529
97	American West Development 2700 E. Sunset Rd., Ste. 5 Las Vegas, NV 89120 Lawrence D. Canarelli	526	0	0	526
98	**Quaker Group Builders 593 Bethlehem Pike Montgomeryville, PA 18836 Streeper Karr III**	311	0	210	521
99	Borror Corp. 5501 Frantz Rd. Dublin, OH 43017-0766 Douglas G. Borror	503	15	0	518
100	**Barratt American Inc. 30 Fairbanks, Ste. 110 Irvine, CA 92718 Michael Tattinson**	299	204	0	503

INDICATORS

Consumer Confidence Wanes—How Bleak Is The Future?

The economy strained to sustain a recovery as 1991 drew to a close, vulnerable to external shocks.

Consumer confidence, as measured through a survey conducted monthly for the Conference Board (a business research group), declined during the final quarter of last year. With a base year of 1985 equaling 100, consumer confidence fell to a 16-year low during November to 50.6.

Last June, a record surge in this consumer confidence measure followed the successful resolution of the Persian Gulf War. At the time, the question many were asking was, "Is it the real thing?" We now have an answer.

The Conference Board's survey of 5000 households is a representative sample of consumer sentiment around the country. Among the nine regions for which separate indexes are generated, November's level was the lowest in the Northeast states. The index for the battered New England states stood at 29.8, while the index for the Middle Atlantic states was slightly higher at 36.6. Consumers in the Rocky Mountain states were the least pessimistic—the November index in this region was 67.2.

Consumer confidence levels region-to-region are generally an accurate reflection of the health of housing and remodeling markets in different parts of the country. The Rocky Mountain states have fared well by most measures of economic activity, even during the worst period of the recession, while the New England states have continued to take it on the chin.

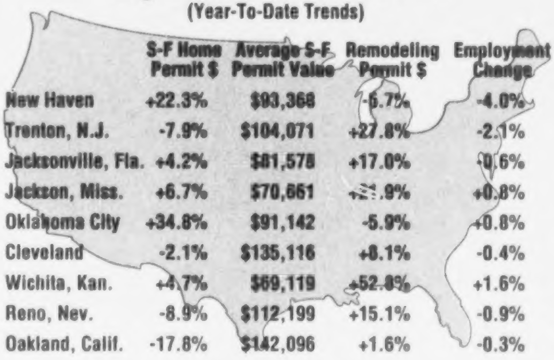
The future is not as bleak, however, as today's consumer confidence levels imply. The economic fundamentals weakened, but for the most part did not fall, over the final months of 1991.

Gross Domestic Product grew more slowly than anticipated during the second and third quarters—but it did move ahead and document the beginning of the general economic recovery. Industrial production and employment gains plateaued, while housing starts stalled and then began to move ahead again.

The economy strained to sustain a recovery as 1991 drew to a close, vulnerable to external shocks (the economic and political fallout of a disintegrating Soviet Union, or sudden hikes in energy prices). □

Regional Market Conditions

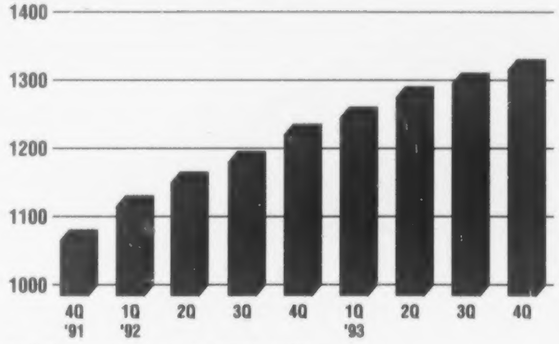
(Year-To-Date Trends)



	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
New Haven	+22.3%	$93,368	-6.7%	-4.0%
Trenton, N.J.	-7.9%	$104,071	+27.8%	-2.1%
Jacksonville, Fla.	+4.2%	$81,578	+17.0%	-0.6%
Jackson, Miss.	+6.7%	$70,661	[illegible]	+0.8%
Oklahoma City	+34.8%	$91,142	-5.9%	+0.8%
Cleveland	-2.1%	$135,116	+8.1%	-0.4%
Wichita, Kan.	+4.7%	$69,119	+52.8%	+1.6%
Reno, Nev.	-8.9%	$112,199	+15.1%	-0.9%
Oakland, Calif.	-17.8%	$142,096	+1.6%	-0.3%

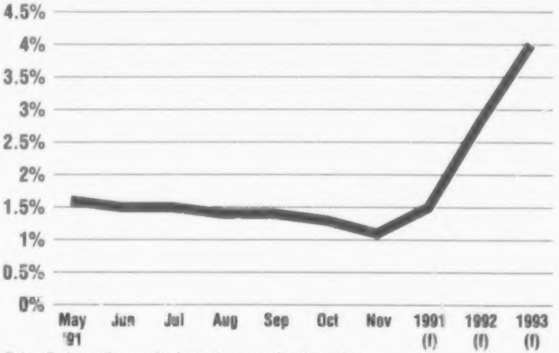
Sources: U.S. Departments of Commerce and Labor.

Housing Starts



Data reflect quarterly averages, in thousands of units.
Forecast: Cahners Economics.

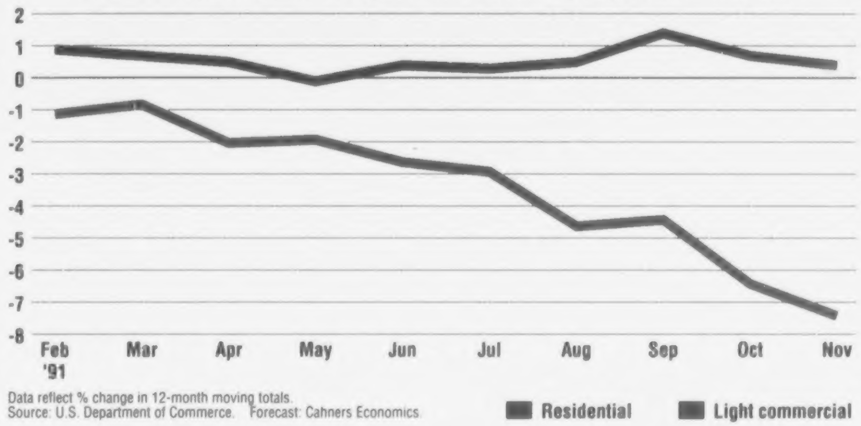
Trend In Construction Labor Costs



Data reflect over-the-year % change in average hourly earnings.
Source: U.S. Department of Labor. Forecast: Cahners Economics.

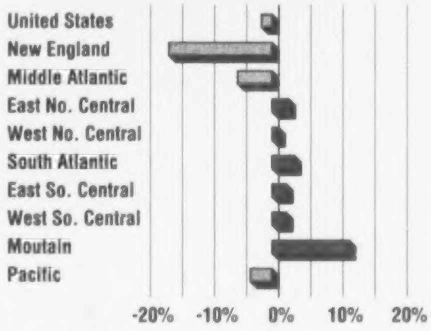
INDICATORS

Remodeling Permit Trends: Residential & Light Commercial



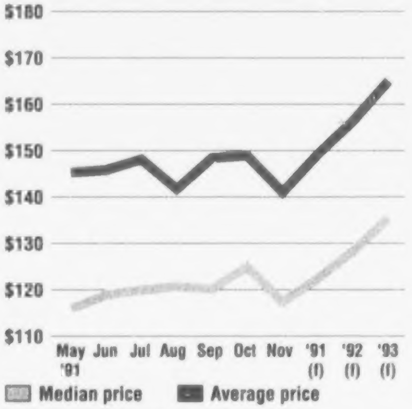
Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Residential Remodeling Permit Value Trends



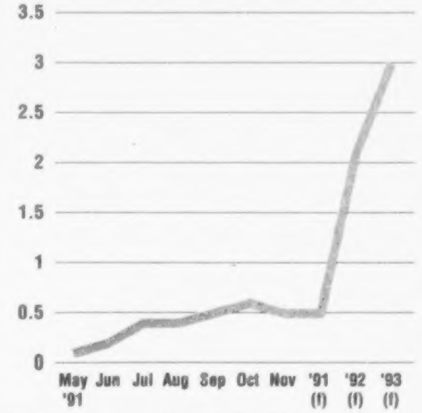
Source: U.S. Department of Commerce.

New Single-Family Home Sales Prices



Data in thousands of dollars.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Construction Materials Price Trend



Data reflect over-the-year change in Producer Price Index.
Source: U.S. Department of Commerce.

Key Trends At A Glance

	Nov '91	Mar '91
Total housing starts*	1,066,000	907,000
New home sales*	520,000	495,000
Remodeling permit trend	+0.4%	+0.7%
Consumer confidence index**	52.7	81.1
Median new home price	$117,400	$122,500
Fixed-rate mortgages	8.71%	9.50%
Construction wage trend	+1.1%	+1.8%

* Seasonally adjusted annual rate.
** 1985 = 100.

Light-Commercial Construction Languishes

Diversified builders who have ventured into light-commercial have found rough sledding. Although renovation and remodeling jobs on retail stores and hotels have provided opportunities for contractors, new construction work has been limited.

Total non-residential construction spending fell during October. The seasonally adjusted annualized value of new commercial, industrial and institutional structures put-in-place during the month totaled $142.0 billion, a sharp 11.7% drop from the level of the same month a year earlier.

Following a plunge earlier in the year, total non-residential construction spending has stabilized (or stagnated, depending upon one's perspective) at the current level for the past four months.

This is encouraging, since it suggests that we've reached bottom. Further sharp declines in spending are unlikely as we move into 1992. Recent trends in building permits and in construction contract awards tend to support this more hopeful assessment.

The weakest sectors will continue to be on the commercial side of non-residential building. October's annualized value of commercial construction was 30% below the already weak level of 1991.

We are forecasting further declines in commercial construction during 1992, but at rates only about half the plunge of '91. □

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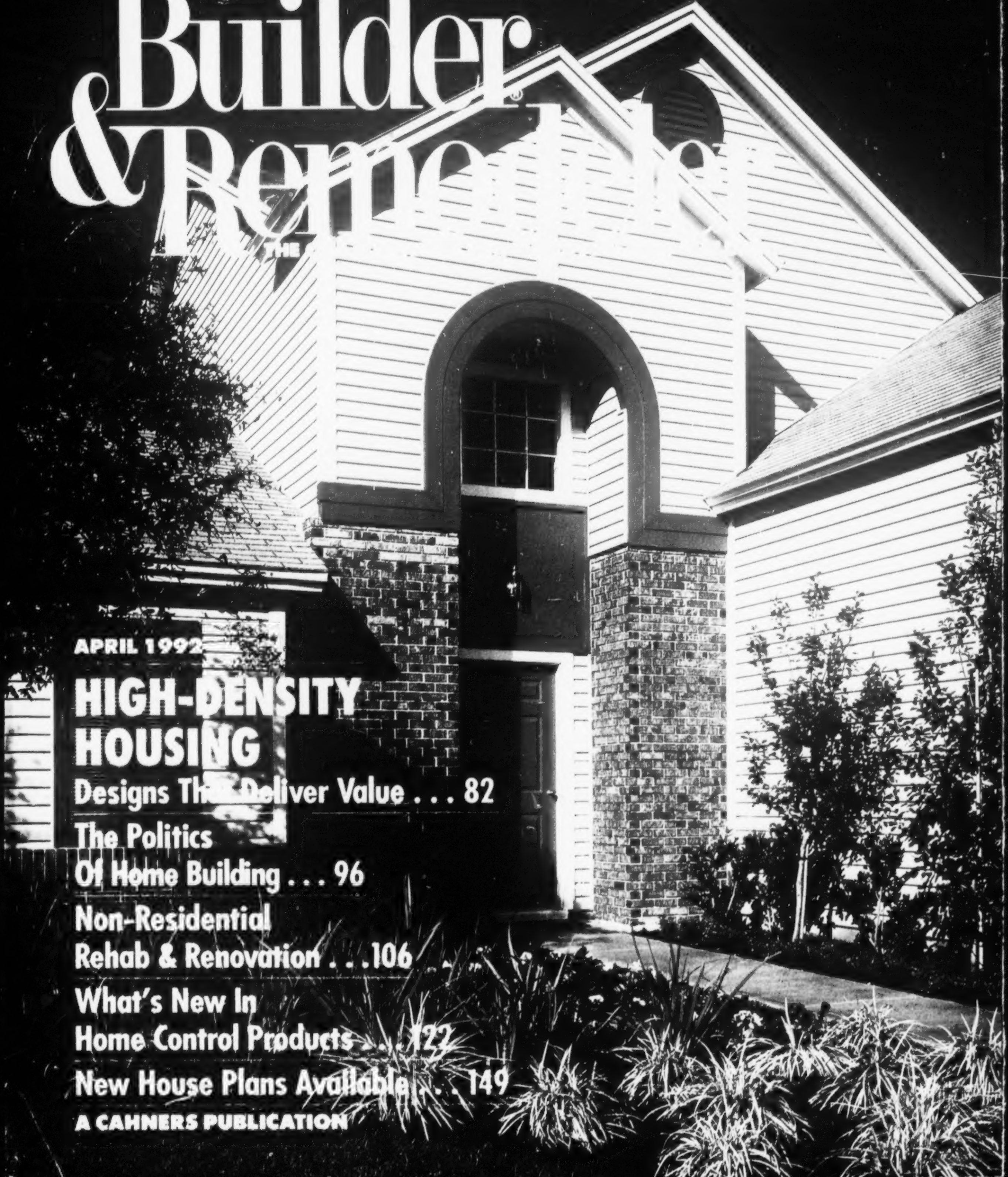

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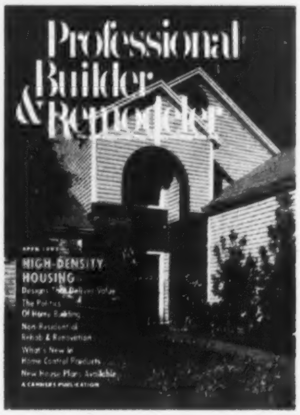

On The Cover

■ Calton Homes' product at Hunt Ridge outside Orlando, Fla., is built to a net density of five units per acre, centered on 50-by-110-foot lots. Design is by Quincy Johnson. Interiors were merchandised by Orlando-based Marc-Michaels Interiors. Photography by Everett & Soulé. See page 82.

Non-res rehab opportunities: p. 106.

New remodeling video: p. 69.

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Density Delivers Value 82

When land costs escalate, or affordability is critical to reaching targeted consumers, increasing density concentrates your investment where it shows: in the housing product, rather than the ground under it.

Industry Challenge: The Politics Of Building 96

The industry, which was blind-sided by a mounting array of regulatory barriers, no-growth schemes and preservationist taboos, has new strategies for fighting city hall.

Smarter, Better Housing For The Money 104

West Venture Development's Jamboree is a success because it brings a traditional look to California, offers low pricing, and has flexible floor plans.

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In the face of scarce financing and a glut of commercial space, underperforming properties in good locations may be prime for remodeling.

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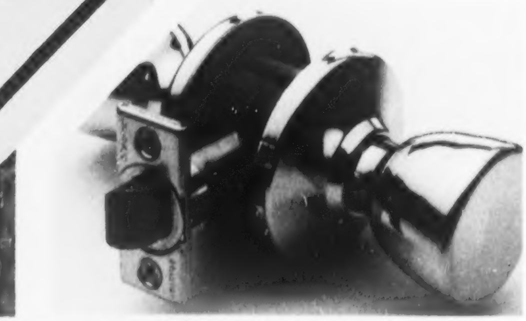

New products: p. 120.

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Business

■ Builders find construction capital through stock offerings and pension funds, but going public can be a painful process: *p. 12.*

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■ Through cooperation with Habitat For Humanity, a Cleveland builder is helping to promote the revival of urban neighborhoods: *p. 31.*

Management

■ Survivors of the recession are finding that doing workouts when times were tough has yielded strong land positions as well as good working relationships: *p. 53.*

Marketing

■ A local cable TV show is paying off big dividends for a Mobile, Ala., remodeler: *p. 69.* Word of mouth is still the key to getting remodeling leads: *p. 70.*

Technology

■ Uniform lending guidelines for energy-efficient mortgages would help make homes more affordable. To date, however, there has been no industry-wide consensus. Here is a detailed look at this important issue: *p. 117.*

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INDICATORS

Rocky Mountain States Lead The Nation Out Of Recession

New home construction to bounce back, relative to region of the country.

Lower interest rates, slowly improving consumer confidence and a significant amount of pent-up demand have set the stage for a real recovery (not to be confused with the teasing, but false, recovery of last summer) in home building and home improvement spending this year. In some parts of the country the bounceback is already well established.

Perspective for the predicted gains can be found by looking at how different parts of the nation fared during 1991—the worst year for residential construction markets in two decades.

The Rocky Mountain region came out ahead in 1991. During a period when permit values for new single-family home construction nationwide declined by 10.2%, values in the Mountain states surged 16.1%. At the same time, the value of permits authorizing remodeling work jumped 12.0% over the year in this region, while declining by 1.7% in the nation as a whole.

Single-family permit values for the states in the Pacific Coast region plunged by 26.1% last year, coming off an extremely good 1990 (particularly in the Pacific Northwest and inland California). Values also fell, although not nearly as dramatically, in states along the Mid-Atlantic and South Atlantic coast. Remodeling, on the other hand, was weakest by far in the New England states.

Metropolitan areas that enjoyed reasonably healthy levels of new home construction last year were concentrated overwhelmingly in the nation's mid-section. Not surprisingly, these also are areas coasting through the recession relatively unscathed. Employment growth certainly slowed, but in almost all cases there were more jobs in these cities at the end of 1991 than at the beginning of the year.

Permit values for new single-family home construction rose by 60% over the year in both Tucson and Fayetteville, and by more than 50% in Denver and Anchorage. Other metropolitan areas with gains of at least 25% included Boulder, Colorado Springs, New Orleans, Birmingham, Phoenix and Salt Lake City.

Last year's fastest-growing remodeling markets

Continued on page 176

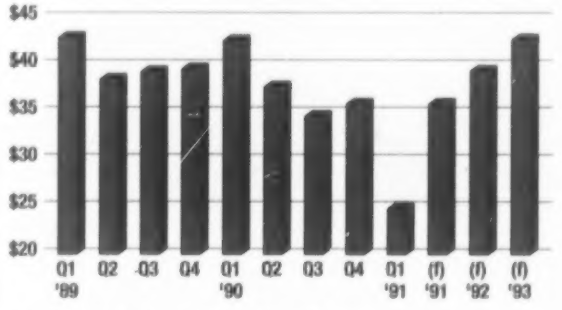
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Providence	-10.0%	$83,784	-10.4%	-3.2%
Buffalo	-26.2%	$111,951	+6.3%	-2.6%
Washington, D.C.	-3.4%	$86,173	+2.3 %	-1.8%
Birmingham, Ala.	+37.0%	$94,139	-2.2%	-1.0%
Little Rock	+18.4%	$88,881	+29.1%	+1.6%
Indianapolis	+6.8%	$112,904	+13.9%	+2.1%
Des Moines	+18.9%	$97,682	-18.6%	-0.3%
Albuquerque	+8.5%	$85,030	+70.1%	+0.1%
Portland, Ore.	-16.8%	$112,251	+37.0%	+1.1%

Sources: U.S. Departments of Commerce and Labor.

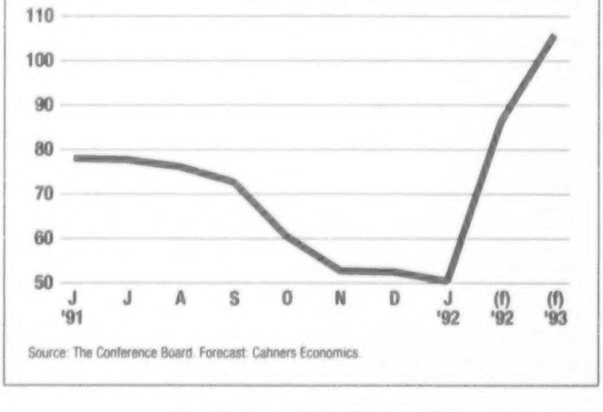
Consumer Spending On Residential Additions & Alterations



Data reflect seasonally adjusted annual rates, billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

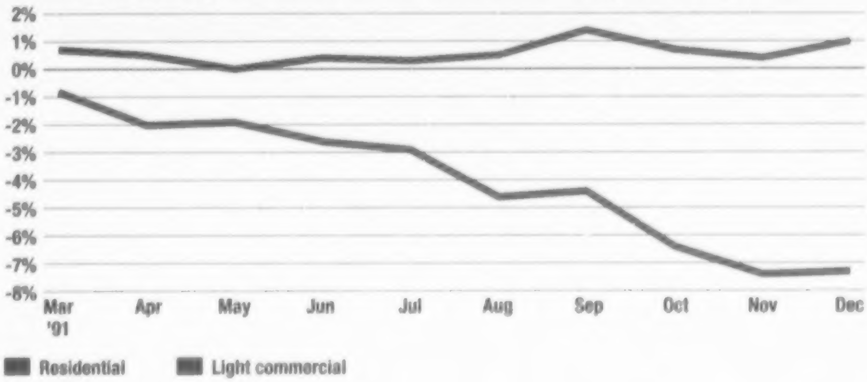
Consumer Confidence Index

(1985=100)



Source: The Conference Board. Forecast: Cahners Economics.

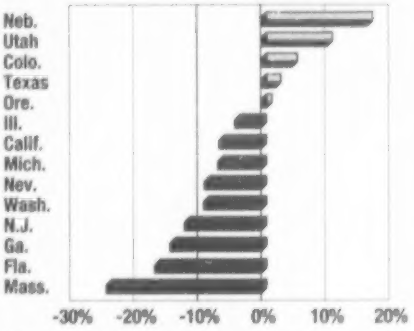
Remodeling Permit Trends – Residential & Light Commercial



Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce.

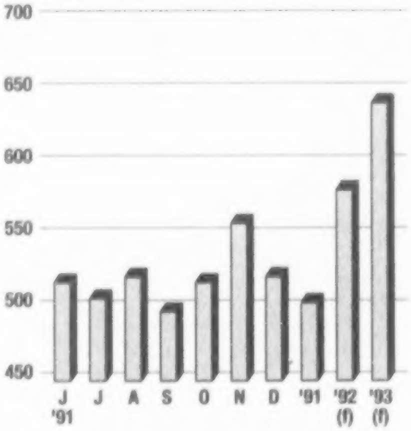
Construction Employment Trends

(Nov. 1991 vs. Nov. 1990)



Data reflects % change in employment for selected sites.
Source: U.S. Department of Labor.

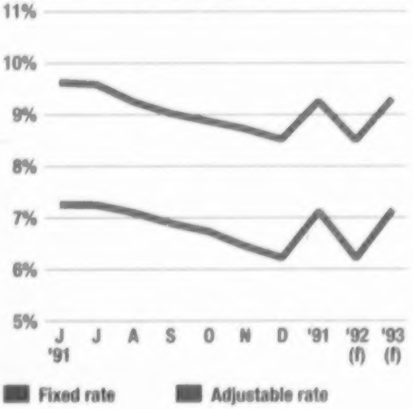
New Single-Family Home Sales



Data reflect seasonally adjusted annualized rates, in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Mortgage Interest Rates

(Monthly average)



Source: Federal Home Loan Mortgage Corp.
Forecast: Cahners Economics.

Key Trends At A Glance

	Nov '91	Mar '91
Total housing starts*	1,103,000	977,000
New home sales*	522,000	506,000
Remodeling permit trend	-0.5%	-4.9%
Consumer confidence index**	52.5	79.4
Median new home price	$123,800	$121,000
Fixed-rate mortgages	8.50%	9.40%
Construction wage trend	1.1%	1.7%

* Seasonally adjusted annual rate.
** 1985 = 100.

Continued from page 175.

do not yield to the same easy generalizations. To be sure, there was plenty of evidence of weakness on the Coasts—remodeling permit values were down more than 20% over the year in Hartford and Newark, and 15% in Los Angeles and San Diego.

However, the Chicago-area market also weakened dramatically during 1991, while Milwaukee and Cincinnati enjoyed good gains. Among the larger metropolitan areas in the nation, a varied and interesting group of four cities recorded remodeling gains of 35% or better: Portland, Ore., Miami, Honolulu and the tri-city area of Allentown/Bethlehem/Easton. ☐

Population Growth Remains Strong In Western States

Between Census Day (April 1, 1990) and July 1, 1991, the Census Bureau estimates that the population of the United States grew by 3.5 million people, a 1.4% increase over the 15-month period. Population growth varied greatly between regions, with the West growing by 2.4% and the Northeast eking out a 0.3% gain.

Nevada, the fastest-growing state over the period, added 6.8% to their April '90 population total. Other fast-growing states included: Alaska (3.7%), Idaho (3.2%), Washington (3.1%), Oregon (2.8%), Utah (2.7%), and Florida (2.6%). Three states—North Dakota, New Hampshire and Massachusetts — estimated declining populations since 1990's census. ☐

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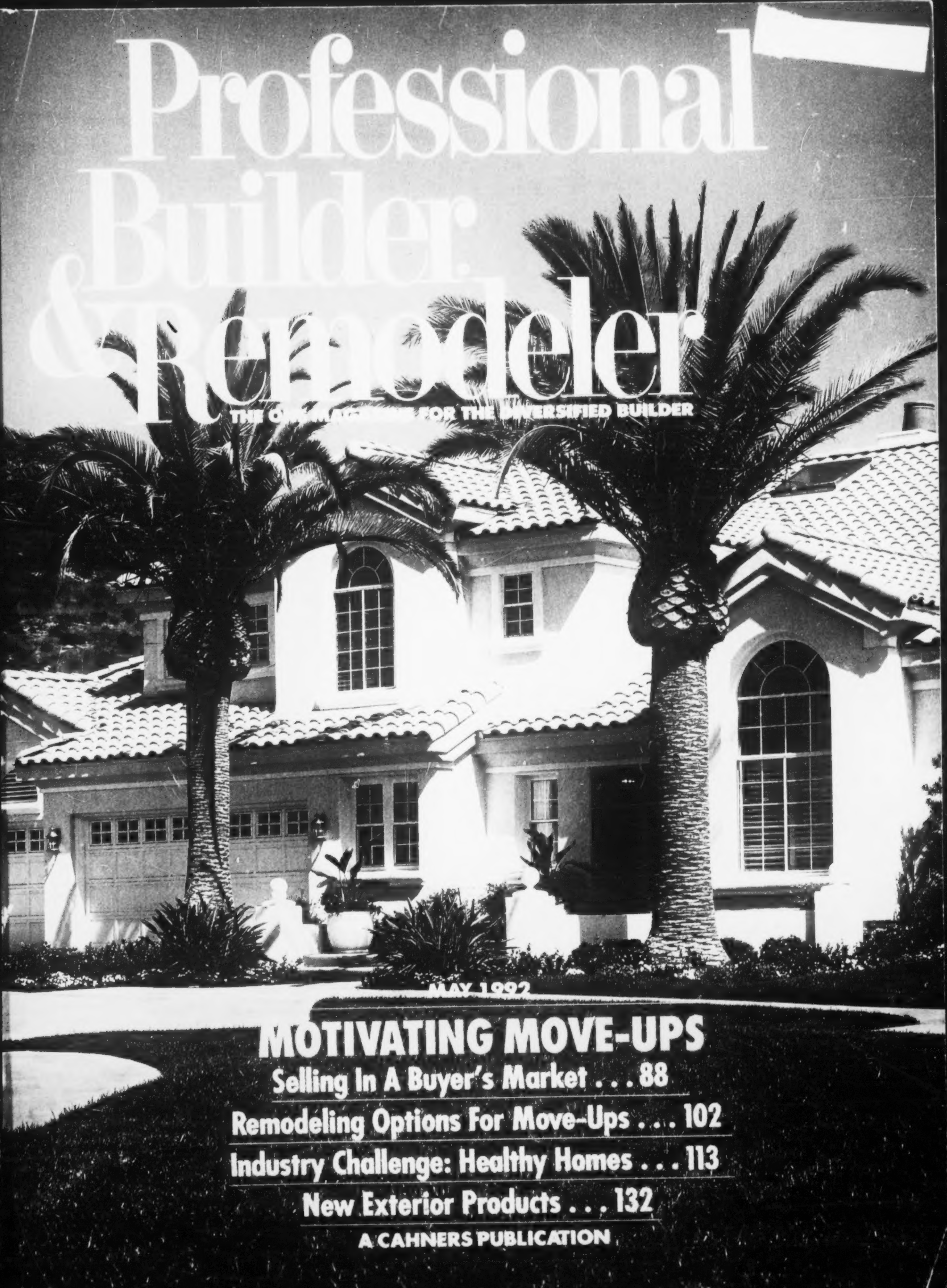

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MOTIVATING MOVE-UPS

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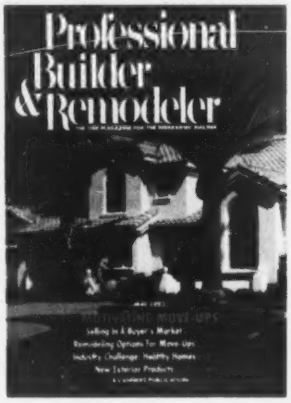

On The Cover

■ Pacific Ampac, a subsidiary of Woodcrest Development, Irvine, Calif., fetched $470,000 to $559,000 for its houses at Summit Chase in Yorba Linda. Dale Cexton handled the architecture, while Yeiser Garland & Associates decorated the interiors. Featured on page 88. Photography by Robb Miller.

Designs for the move-up market: p. 88.

FEATURES

Motivating The Move-Up Buyer 88

Convincing prospects to buy is the key to success in the move-up market. The homes featured show how builders around the country produced a variety of turn-ons.

Remodeling Alternatives To Moving Up 102

When it comes to acquiring more space, many homeowners choose to remodel rather than buy a larger home. Here are three examples of what can result when consumers decide to keep the house but alter the space.

Smarter, Better Housing For The Money 110

Tucson builder A.F. Sterling overcame the "loser" image of an old RTC project site with a winning design. While he projected a two-year sell-out, he sold all his product in less than five months.

MAY 1992

Remodeling to move up "in place": p. 102.

Products: p. 132.

Business

■ How good are "consumer confidence surveys" at predicting housing trends? Some experts say to be careful when looking at the data: *p. 12.*

Markets

■ In-town apartments let Houston renters take advantage of the city's best dining, shopping and entertainment: *p. 21.* Custom touches personalize and distinguish contemporary homes: *p. 24.*

Management

■ Diversified builders who position themselves to change with the times are better prepared for market downturns: *p. 51.*

Marketing

■ Creative direct-mail campaigns stimulate remodeling business: *p. 67.* Mortgage assistance can unlock the door for first-time buyers: *p. 68.*

Technology

■ Indoor air quality could be the major housing topic in the 1990s, according to industry experts: *p. 113.* Manufactured housing is playing a key role in urban redevelopment: *p. 122.*

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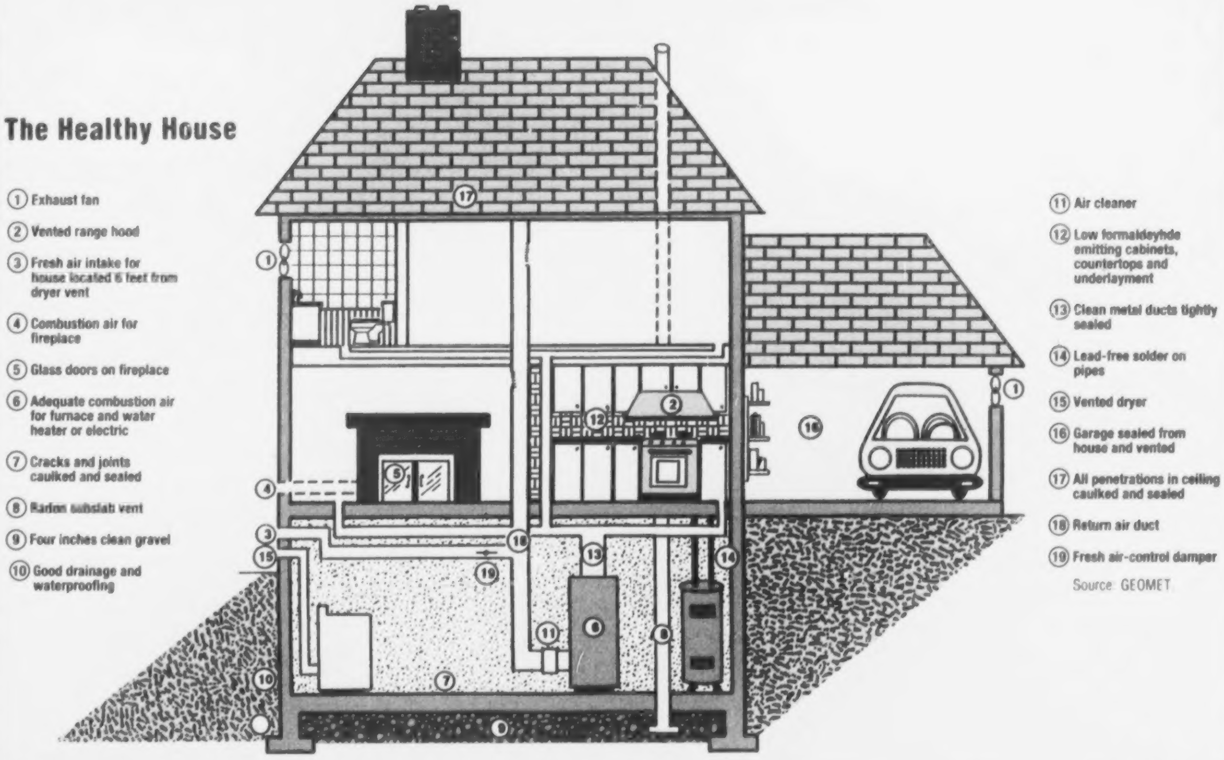
■ ENVIRONMENT

Indoor Air Quality To Be Major Topic Of The '90s, Say Experts



The Healthy House

① Exhaust fan
② Vented range hood
③ Fresh air intake for house located 6 feet from dryer vent
④ Combustion air for fireplace
⑤ Glass doors on fireplace
⑥ Adequate combustion air for furnace and water heater or electric
⑦ Cracks and joints caulked and sealed
⑧ Radon subslab vent
⑨ Four inches clean gravel
⑩ Good drainage and waterproofing
⑪ Air cleaner
⑫ Low formaldeyhde emitting cabinets, countertops and underlayment
⑬ Clean metal ducts tightly sealed
⑭ Lead-free solder on pipes
⑮ Vented dryer
⑯ Garage sealed from house and vented
⑰ All penetrations in ceiling caulked and sealed
⑱ Return air duct
⑲ Fresh air-control damper

Source: GEOMET

Radon, lead, asbestos and other airborne particles may have an adverse effect on public health and a builder's bottom line.

Industry experts predict indoor air quality will be a major concern in this decade, but for now, the issue as it relates to residential construction, appears to lack definition among regulators and building industry leaders, says Mike Chapman, chairman of the indoor air-quality subcommittee of NAHB.

"This is evident through the lack of public concern or general builder interest in the subject," says Chapman. "However, IAQ and other home environment issues continue to increase (in

Continued on page 114.

Key Issues

- At present, indoor air quality is less of an issue within the industry and public than with the government.
- There is a lack of IAQ standards for housing.
- There is a similar lack of information or data.
- Minimal resources are being directed toward the issue.
- There is a lack of effective communications on the issue.
- The public and industry have perceptions or feelings on the subject despite the lack of information or experience.

Indoor air-quality legislation passes in Senate, probably won't pass in House

Continued from page 113.

importance) on the NAHB Issues Management list."

And, since the U.S. Environmental Protection Agency has taken up the cause, indoor air quality could well become one of the major environmental issues of the 1990s, says Chapman.

He says there appears to be very little consensus on IAQ. "The industry does not share a universal view of the subject, while the public has practically no opinion on the issue."

He says IAQ is an issue that is just emerging, has a strong emotional element, has little information, few guidelines and is going to be difficult to communicate to members, government officials and the public at large.

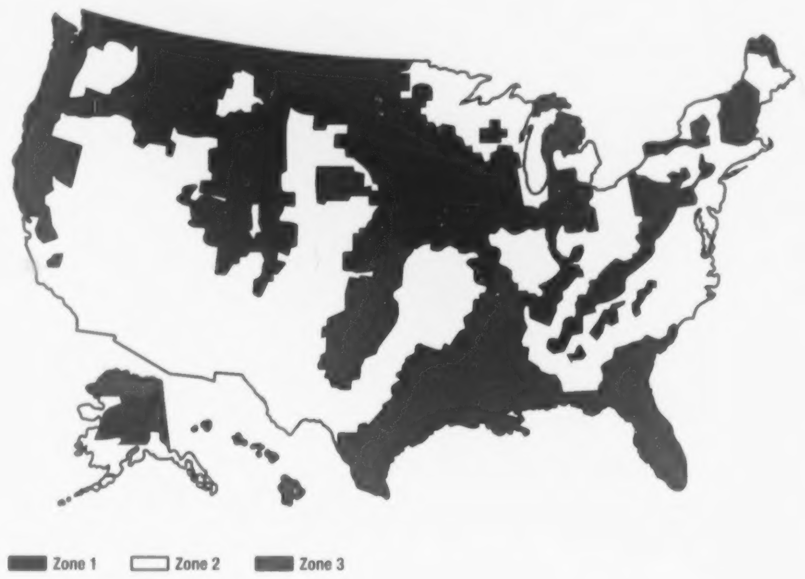
Resources need to be directed toward this growing industry issue, according to Chapman. "This is especially so since other interest groups are promoting the adoption of standards and regulations, which increase costs without providing commensurate benefit."

And, though IAQ legislation passed in the U.S. Senate in November, a bill probably will not pass in the House this year, according to Bob Axelrod of the EPA. The Senate bill reauthorizes the Indoor Radon Abatement Act of 1988. The EPA will publish a guide to indoor air quality before year's end. It is meant to be informative, not prescriptive, he says.

At present, IAQ standards for commercial buildings are applied improperly to residential

Continued on page 116.

Radon Levels



A map released by the EPA shows that approximately 30% of all U.S. counties (25% of existing homes) are in areas where radon levels are potentially high. In those areas (Zone 1) predicted radon readings are in excess of 4 picocuries per liter of air, the cutoff point established by the EPA.

Zones 2 (2 to 4 picocuries per liter) and 3 (below 2 picocuries per liter) have potentials for medium and low levels.

EPA says it recognizes radon levels can vary from one part of a county to another. The agency, therefore, favors adjustment of its county classification as high, medium or low levels of radon by local officials through the application of locally available data.

The radon potential map for the United States was determined by examining indoor radon-screening measurements, aerial radioactivity measurements, geology, soil permeability and residential foundation types for 138 geological provinces.

EPA estimates that the range of costs for installing passive and active abatement techniques at the time of construction is $350 to $750 per house. EPA's estimates for installing mitigation techniques in existing homes would average $1200.

NAHB has a policy on radon calling for use of passive building techniques to prepare for any possible radon in newly built houses. The NAHB Radon Working Group believes that builders could meet their responsibilities by building to passive standards in areas where radon levels are potentially high.

EPA surveys indicate that most homes will have radon readings (even in radon priority areas) of less than 2 picocuries per liter. Therefore, few homes will require an active abatement system.

However, if an active system is in place, homeowners who subsequently get radon readings in excess of 2 picocuries per liter can activate it. □

Builders, government agencies operate without good data on indoor pollutants

Continued from page 114.

Materials Containing Asbestos

Product	Location	Dates of use
Roofing and siding		
Roofing felts	flat, built-up roofs	1910-present
Roof felt shingles	roofs	1971-9174
Roofing shingles	roofs	?-present
Roofing tiles	roofs	1930-present
Siding shingles	siding	?-present
Clapboards	siding	1944-1945
Walls and ceilings		
Sprayed coating	ceilings, walls, steelwork	1935-1978
Troweled coating	ceilings, walls	1935-1978
Asbestos-cement sheet	near heat sources	1930-present
Spackle	walls, ceilings	1930-1978
Joint compound	walls, ceilings	1945-1977
Textured paints	walls, ceilings	?-1978
Millboard, rollboard	walls, commercial buildings	1925-?
Vinyl wallpaper	walls	?
Insulation board	walls	?
Floors		
Vinyl-asbestos tile	floors	1950-1980
Asphalt-asbestos tile	floors	1920-1980
Resilient sheet flooring	floors	1950-1980
Mastic adhesives	sheet and tile backing	1945-1980
Pipes and boilers		
Cement pipe and fittings	water and sewer mains	1935-present
Block insulation	boilers	1890-1978
Preformed pipe wrap	pipes	1926-1975
Corrugated asbestos paper	pipes	1910-1980
Paper tape	furnaces, steam valves, flanges	1901-1980
Putty (mudding)	plumbing joints	1900-1973

Source: U.S. Environmental Protection Agency

structures, according to Chapman. Regulators, standards writers and the housing industry have not established reasonable interior environmental levels for the residential industry based on reliable research, he says. Because of this, the builder or building owner is exposed to an increasing level of questionable expense and legal liability.

The residential building industry, as well as federal, state and local regulators and legislators operate with poor data regarding building products, their effect on health, the environment and the dynamics between materials and occupant activity, he says.

"We find an abundance of hasty generalizations from all sides of the issue, a lack of common definitions for what is reasonable and an industry without a plan of action," Chapman says.

The result is tension between the industry, the code bodies and federal regulators, he says. "Uncertainty abounds, leaving fertile ground for reactionary federal, state and local legislation. The builder is concerned that mandatory regulations will result from issuance of voluntary guidelines." A comprehensive communications plan needs to be developed once the industry policies and positions are decided, he says.

And a good deal is at stake with the indoor air-quality issue. "Human health is directly affected by the quality of the indoor environment since we spend 75% to 90% of our time indoors," says John Spears, senior research scientist and manager, building systems and energy program for GEOMET Technologies, Germantown, Md. Indoors, the pollutant levels may be two to five times higher than outdoors, according to EPA estimates.

Millions of people can be effected. Hundreds of people die each year from faulty combustion appliances, according to the EPA. Agency projections indicate that as many as 10,000 to 20,000 people die each year from exposure to radon. Millions of people suffer, according to Spears, from allergies aggravated by indoor pollutants.

According to Spears, the five rules of thumb for a healthy interior environment are:

☐ Controllable ventilation, which exhausts pollutants and brings in fresh air;

☐ Low-emitting materials that minimize the levels of volatile organic compounds and formaldehyde;

☐ Radon-resistant foundations;

☐ Properly vented combustion appliances such as the furnace and water heater; and

☐ Water treatment to ensure good water quality.

Radon is still at the top of the list of major indoor pollutants (see map and related story on these pages).

Following radon is lead paint, which has drawn more attention recently

Continued on page 120.

Lead abatement may become the most far-reaching issue for the industry

Continued from page 116.

than asbestos. The hysteria that used to surround asbestos now surrounds lead, says Bryan Patchan, executive director of the Remodelors Council of NAHB.

The abatement of lead-based paint presents a major problem to the housing market, according to David D'Alessandris of NAHB.

Testing and abatement strategies for lead-based paint are already required in public and Native American housing and there are proposals before the U.S. Congress for requiring abatement of lead-based paint in privately owned homes.

"While this issue does not directly affect builders of new homes, any regulations that significantly change the values of existing homes, and thus the equity, will impact the new home market," D'Alessandris says.

For remodelers, he says, the abatement work that may be required represents a potential market that some firms may wish to enter. But, due to new worker-safety guidelines and requirements to protect occupants, D'Alessandris says it would also mean major changes in the way remodeling work is conducted.

Just testing for lead paint is an expensive procedure, D'Alessandris says. The Department of Housing and Urban Development estimates costs at $404 per 2000-square-foot, single-family unit and $320 for a 900-square-foot multifamily unit.

If abatement *is* required, the owner will have to decide between removal and encapsulation. Based on a demonstration study of public housing units, HUD estimates the average cost of lead-based paint removal to be $7704 for a single-family home, excluding the costs of relocating occupants and their possessions for the duration of the work. Then there are the costs involved in disposing of the hazardous waste from the abatement procedure.

HUD estimates a cost of $5453 for encapsulation of lead-based paint. While encapsulation has a lower up-front cost, D'Alessandris says, there is no information on the life expectancy of encapsulants.

Chances are, says D'Alessandris, that lead abatement will become a more important and far-reaching issue than either asbestos or radon because of its widespread use.

Though lead may be getting more attention of late, asbestos is no less a problem, says Patchan.

The best thing a remodeler can do when he suspects the presence of asbestos is to bring in an abatement contractor to deal with the encapsulation, enclosure and removal, Patchan says.

A major problem is that homeowners often don't want to pay the extra cost, which could be several thousand dollars. Some may contract with other remodelers who will tear out the asbestos-containing material without taking prescribed precautionary measures. Homeowners need to be warned of the health hazards to their families.

By Dan McLeister, Senior Editor

Demographics Show Number Of Homes With Lead-Based Paint

Characteristic	Total housing units	Housing units with lead paint
Total occupied units	**93,683,000**	**58%**
Built before 1979	**72,926,000**	**74%**
Construction Year		
1960-1979	**31,997,000**	**62%**
1940-1959	**20,331,000**	**80%**
Before 1940	**20,598,000**	**90%**
Housing type		
Single family	**63,165,000**	**74%**
Multifamily	**9,761,000**	**73%**
Census region		
Northeast	**16,459,000**	**93%**
Midwest	**19,023,000**	**76%**
South	**23,258,000**	**58%**
West	**14,186,000**	**80%**
Owner-occupied	**47,711,000**	**72%**
Market value of home		
Less than $40,000	**10,041,000**	**79%**
$40,000 to $79,999	**16,967,000**	**53%**
$80,000 to $149,999	**11,514,000**	**65%**
$150,000 and up	**9,190,000**	**87%**
Renter-occupied	**25,214,000**	**79%**
Monthly rent payment		
Less than $400	**13,568,000**	**69%**
$400 and up	**9,878,000**	**87%**
Household income		
Less than $30,000	**42,307,000**	**76%**
$30,000 and up	**30,619,000**	**72%**

Source: HUD Comprehensive and Workable Plan for the Abatement of Lead Paint in Private Housing. NAHB Computations.

INDICATORS

Starts Continue Strong Recovery

1992 could spell relief for long-lagging housing markets.

Total housing starts during January reached an annualized level of 1,167,000 units. This was 5.5% above the previous month's total, and 38.3% ahead of the abysmal 844,000 unit rate of January 1991.

Starts in multiunit buildings soared during January, up 37% from the low year-end rate of 144,000 units. Still, the January total was not quite back to the nothing-to-write-home-about rate of a year ago. Single-family starts, on the other hand, were up a modest 1% between December and January, but the January 1992 start rate was 51.2% higher than a year earlier.

Building permits have also been on the rise. The value of single-family homes permitted during the first month of 1992 was 50.3% greater than a year earlier. Although multifamily permit values were up only 0.6%, this nevertheless breaks an exceptionally long series of down months.

New single-family home sales surged during January to an annualized rate of 612,000 units. This was 12.9% ahead of December's rate, and 50.7% higher than twelve months earlier.

Inventories of new homes were at an extremely low rate at the beginning of the year—the 283,000 homes for sale represented only a 5.8 months supply, the lowest level in a decade. Taken together, all of this spells continued and sustainable relief for the long-suffering housing industry. □

Look For 1.27 Million Starts

Building permit trends continue to improve, interest rates are low, home sales activity is up—almost all fundamentals are pointing up, just as we anticipated when we did our housing starts forecast at year-end 1991. However, in recognition of the potential stimulus of the first-time home buyer tax credit and IRA downpayment proposals, we have tentatively raised our forecast of total starts in 1992.

All of the revision has taken place on the single-family side; although multifamily has bottomed out, the recovery will be excruciatingly slow for this sector. In the unlikely event that the first-time buyer proposals do not pass in some form, we'll revert back to our baseline forecast of 1.19 million units for 1992. □

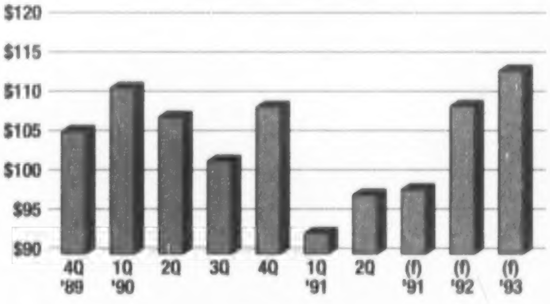
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Albany	+88.1%	$97,096	+57.7%	-1.9%
Newark	+63.1%	$122,824	+9.9%	-2.6%
Miami	+8.4%	$82,128	+7.8%	-3.5%
Louisville	+96.7%	$101,965	+63.6%	+1.5%
Houston	+15.1%	$102,084	+4.1%	+1.1%
Detroit	+65.7%	$99,906	+14.8%	-1.9%
St. Louis	+111.5%	$91,677	+77.9%	-0.9%
Las Vegas	+55.1%	$84,665	+56.2%	+0.1%
Sacramento	+47.2%	$120,719	+47.2%	-0.5%

Sources: U.S. Departments of Commerce and Labor.

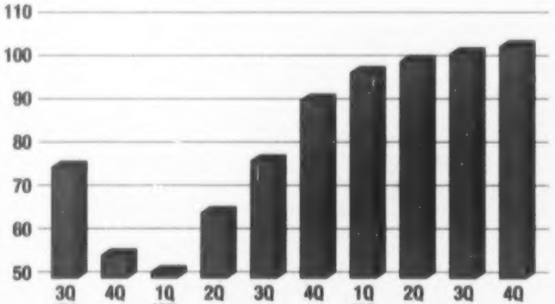
Residential Upkeep & Improvement Spending



Data reflect seasonally adjusted annualized rates, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Consumer Confidence Index

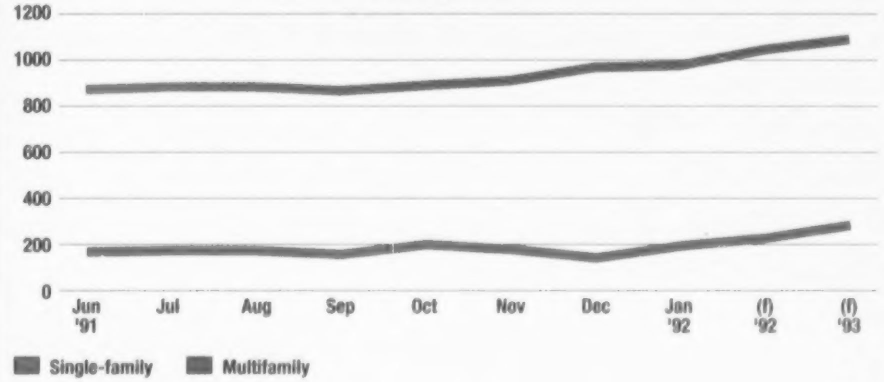
(1985=100)



Source: The Conference Board. Forecast: Cahners Economics.

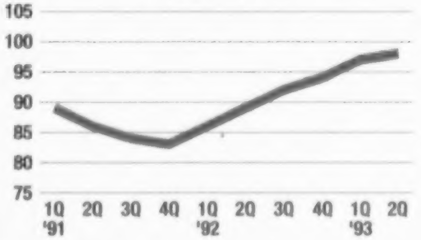
INDICATORS

Housing Starts



Data reflect seasonally adjusted annual rate, in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

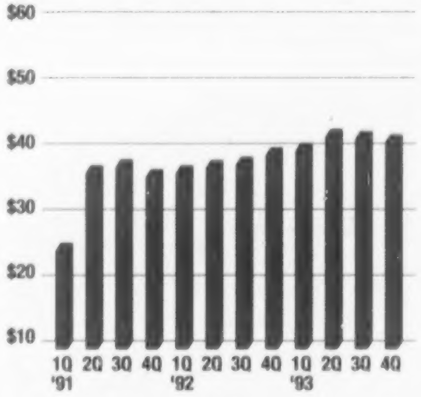
PB&R Market Activity
(1987=100)



Index represents weighted average of forecast trends in residential, remodeling and light-commercial construction markets. Data are expressed in "real" terms, i.e. adjusted for the effects of inflation.

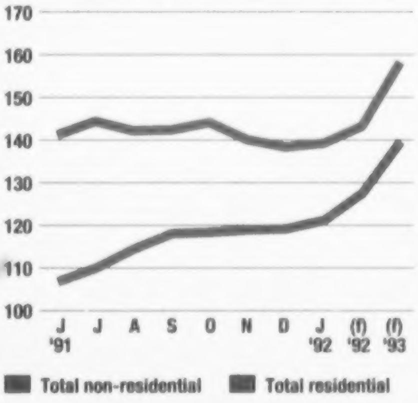
Source: Cahners Economics

Consumer Spending On Residential Additions & Alterations



Data reflect seasonally adjusted annualized rates by quarter, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Construction Spending Trends – Residential & Non-Residential



Data reflect seasonally adjusted annualized rates, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Key Trends At A Glance

	Jan '92	May '91
Total housing starts*	1,167,000	983,000
New home sales*	612,000	507,000
Remodeling permit trend	+1.5%	-0.1%
Consumer confidence index**	50.2	76.4
Median new home price	$125,000	$116,000
Fixed-rate mortgages	8.42%	9.47%
Construction wage trend	0.9%	1.4%

* Seasonally adjusted annual rate.
** 1985 = 100.

Remodeling Poised For Rebound After Rocky 1991

The extent of last year's weakness in residential remodeling work has become clear in recent months. After considerable delay, two quarters worth of data on consumer expenditures for improvements and repairs of residential properties recently became available.

First quarter 1991 expenditures were at the depressed seasonally adjusted annualized rate of $92.6 billion. This was almost 15% below the rate for the fourth quarter of 1990. The most shocking drops were in the improvement categories. Spending for additions and alterations plunged 30.5% and major replacements spending fell 20.0%. Over the same period, maintenance and repair spending fared reasonably well, dropping by less than 3%.

Based on our review of remodeling permit data for the second half of last year, it would appear that total spending improved modestly during the third quarter and then plunged again during the final quarter. Time will tell, of course, but final 1991 data will not be available from the government until about mid-year. Consequently we have revised our estimate of 1991 spending downward to reflect what we know about the first half of the year and what we suspect about the final six months.

Things are looking up, however. Permit values for additions and alterations were up 14.4% in December and by 8.4% in January from their year-earlier totals. ☐

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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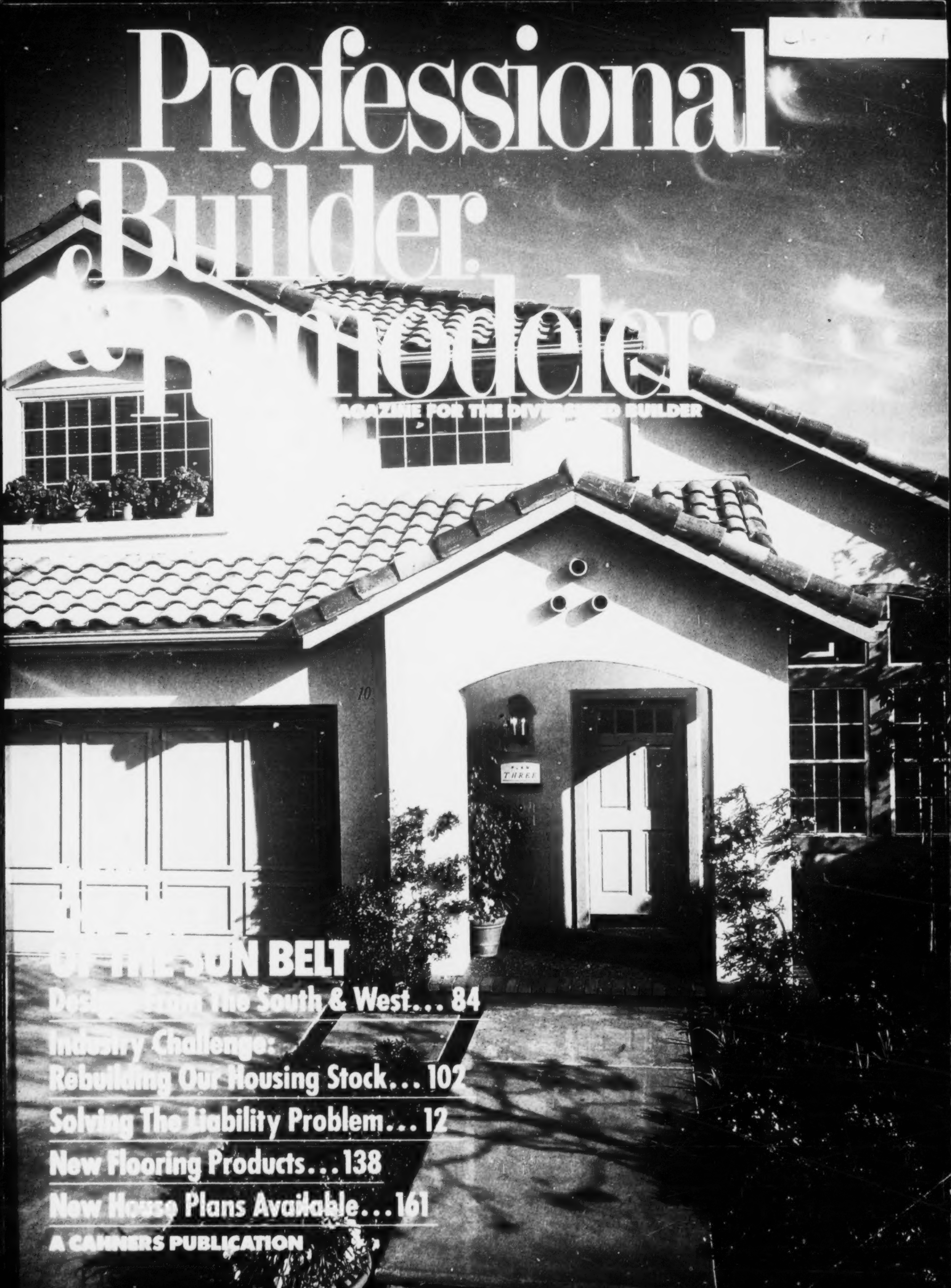
124, 128, 130, 185, 186

JUNE

1992

Professional Builder & Remodeler

MAGAZINE FOR THE DIVERSIFIED BUILDER



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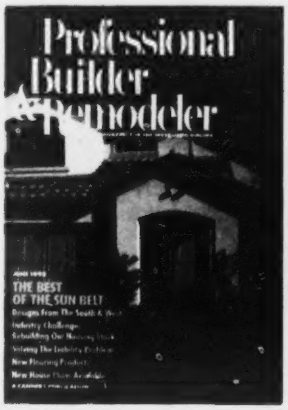
Professional Builder & Remodeler

THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER



On The Cover

■ Akins Co. created wide-and-shallow designs that live large at Brisa Ladera in Rancho Santa Margarita, Calif. Prices range from $175,900 to $200,900. The design was by Fernando Calderon of Calderon Nakamura Architects. Saddleback Interiors handled the decorating. Photography by Keith Swan. For more photos of this and other projects see page 84.

Mass-market remodeling: p. 102.

Sales ideas: p. 25.

FEATURES

Design Trends That Sell The Sun Belt 84

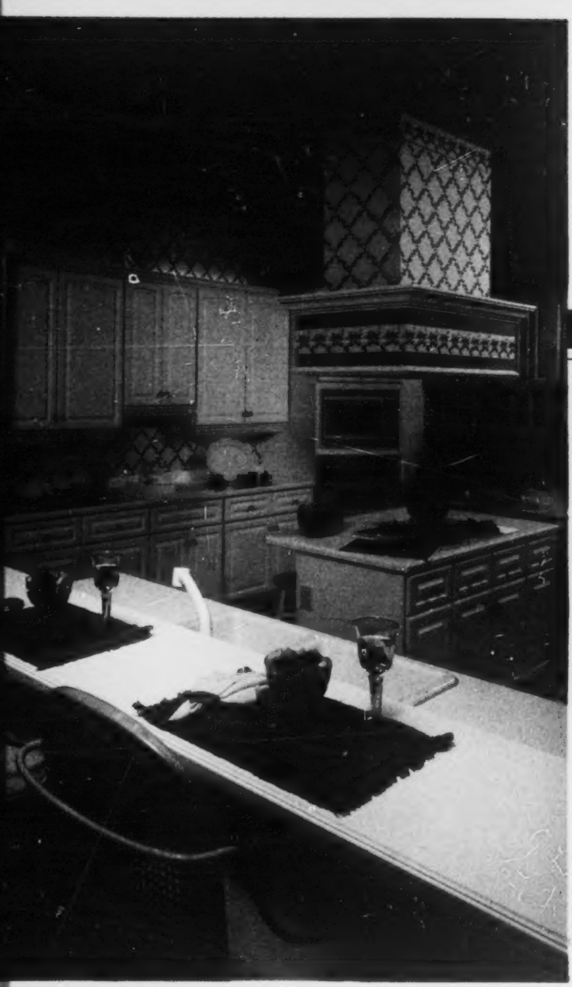
Design trends used to start in California, then pop up elsewhere. While housing trendsetters now appear anywhere, by virtue of the sheer volume of its starts, the Sun Belt still dominates. Today's top trend: timeless traditional.

Industry Challenge: Rebuilding Our Housing Stock 102

Is a mass market for remodeling tract homes ready to be exploited? Suddenly, some Giant builders, armed with large mailing lists, have uncovered new profit ideas. How can their ideas work for you?

Viable Non-Res Markets 108

Even with many areas overbuilt in the commercial sector, opportunities still exist for the right non-residential product, in the right market niche.



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Business

■ In California, members of the building team come together to reduce liability claims: *p. 12.* American companies are moving into "global" markets; Eastern Europe, the Middle East, Mexico: *p. 16.*

Markets

■ Heartland Homes' customer-service policy places buyers on a pedestal: *p. 25.* Impressive architecture, views draw young professionals to apartments in South Florida: *p. 36.* Turnkey luxury vacation homes bring second-home buyers into the market: *p. 40.*

Management

■ A selective approach is the key to the success of The Michaels Group in Albany, N.Y: *p. 51.* Integrated software for builders heightens management efficiency: *p. 60.*

Marketing

■ Advertising expert Kevin Pfeifer says a new twist on brochures helps overcome some age-old problems: *p. 65.*

Technology

■ Modular housing is expected to gain a larger share of the market by the year 2000: *p. 121.*

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TECHNOLOGY

BUILDING SYSTEMS

Modular Housing Expected To Gain Larger Market Share

Buyers at the Neighborhoode don't perceive these homes as modular.
Photo: Fred Forbes

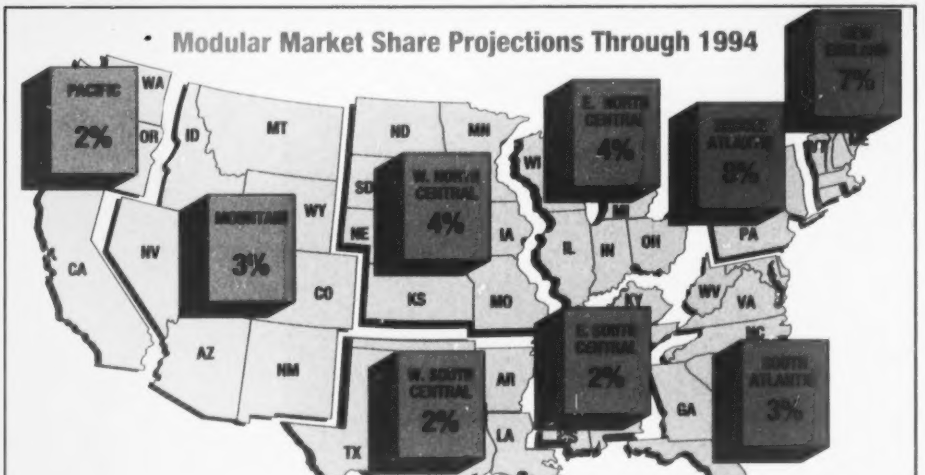
Modulars will capture a bigger slice of the housing pie by the year 2000.

Modular housing will become more important to builders' efforts to cut costs and improve construction time. Modulars are slowly beginning to penetrate new geographical markets and niches.

There is disagreement as to just how much this segment of the industry will grow. A 1990 study by Frost & Sullivan, a New

Continued on page 124.

Modular Market Share Projections Through 1994



NEW ENGLAND
7%
MIDDLE ATLANTIC
8%
E. NORTH CENTRAL
4%
PACIFIC
2%
W. NORTH CENTRAL
4%
MOUNTAIN
3%
E. SOUTH CENTRAL
2%
W. SOUTH CENTRAL
2%
SOUTH ATLANTIC
3%
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Source: Factory-Built Housing In The 1990s, a study for the Building Systems Councils by Hallahan Associates, Baltimore Md.

Value-packed modulars rack up sales in New Jersey

Continued from page 121.

York-based research firm, predicted that by the year 2000, modular manufacturers would produce 170,000 units—an increase of nearly 179% from 1989 production levels.

Another study, by the Freedonia Group of Cleveland, reports that modular housing is expected to grow over 12% annually, spreading into the South and West.

A much more conservative picture is painted by Fred Hallahan of Hallahan Associates, Baltimore, Md., who prepared a study on factory-built housing for the Building Systems Councils (BSC) in 1989.

Hallahan says modulars have only a 2% market share nationally, but are very strong in the Northeast. He predicts that by 1994, modular housing will have 8% of the market in the Middle-Atlantic states and 7% in New England (see map).

Modular housing is a niche industry and always will be, says Hallahan. While concentrated in the East, where most of the factories are located, modulars are doing well in the Midwest and even gaining market share.

A *PB&R* survey of 384 builders indicated that small- to medium-size builders are the most frequent users of modular housing (see bar chart). The table shows that over half of the builders surveyed use modulars because they reduce construction time.

DKM Building Enterprises of Lawrenceville, N.J., bowled over local buyers when it introduced modular housing to the south Jersey market last spring.

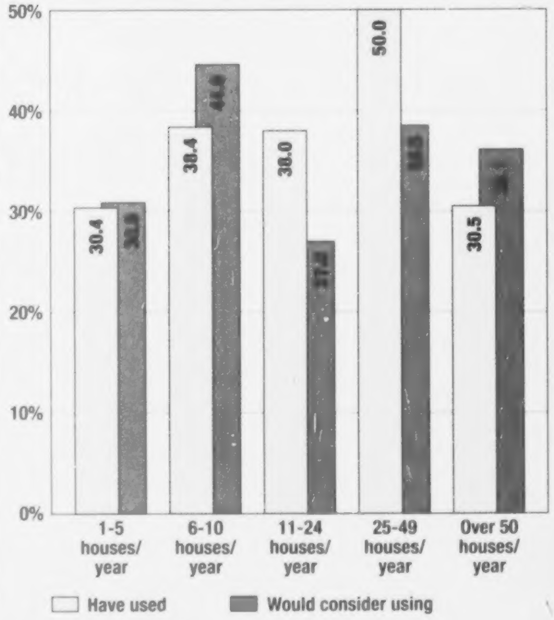
The Neighborhoode at Fries Mill is a community of 212 detached homes, currently priced from $99,900 to $136,900. Four models were offered in the first phase, ranging from 1540 to 2274 square feet.

First-time buyers were excited by the designs, created by Bill Devereaux of Berkus Group Architects, Washington, D.C., and the interior merchandising by the Childs/Dreyfus Group of Chicago. According to Susan Poling, mar-

Continued on page 128.

At $99,900, the Americana model, offered at the Neighborhoode at Fries Mill, is popular with first-time buyers. A covered breezeway connects the one-car garage to the eat-in kitchen. Photo: Fred Forbes

Percent of Respondents Who Have or Would Use Modular Housing



Source: Professional Builder & Remodeler magazine survey

Modular townhouses give low-income buyers a chance at ownership

Photo: Schult Homes

Above, a split-level plan marketed by Crest Homes, a division of Schult Homes based in Middlebury, Ind. Townhouses shown below are part of a low-income project in Baltimore.

Continued from page 124.

keting director for DKM, 45 homes have been sold to date.

"Consumers don't realize these are modular houses when they first walk through," says Poling. "Our salespeople point out that the homes are built in a controlled environment."

DKM is looking at sites on the eastern seaboard for other "Neighborhoodes," she says.

Schult Homes, a producer of manufactured (HUD-code) housing based in Milton, Pa., opened a modular plant in Middlebury, Ind., in 1990. The plant ships modulars to sites in Indiana, Illinois, Ohio and Michigan.

"The Midwest is slowly developing a market," says Francis Kennard, senior vice president of marketing for Schult. "Eventually we will introduce modulars in our Minnesota and Kansas divisions."

Why Builders Use Modular Housing

Reasons	% builders
Reduces construction time	53.5%
Reduces labor cost	27.9%
Reduces material cost	27.1%
Results in better quality	25.6%
Easier to work with	24.8%

Source: Professional Builder & Remodeler magazine survey.

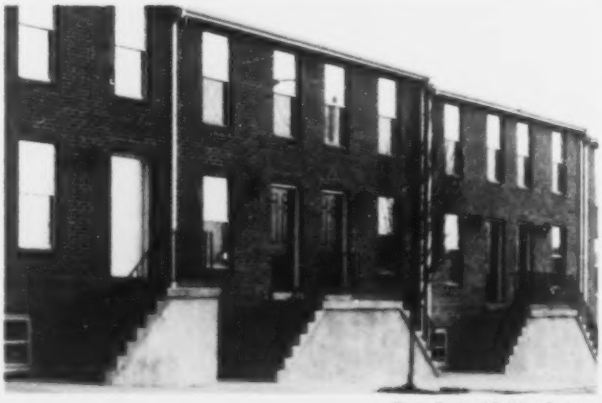


Photo: Regional Building Systems

Schult markets its modular product under the name Crest Homes. The target market is affordable single-family housing in the $70,000 to $100,000 range.

Schult's objective is to grow the modular side of the business 300% within the next three years, says Kennard. In Indiana, Crest Homes expects to double its business over last year.

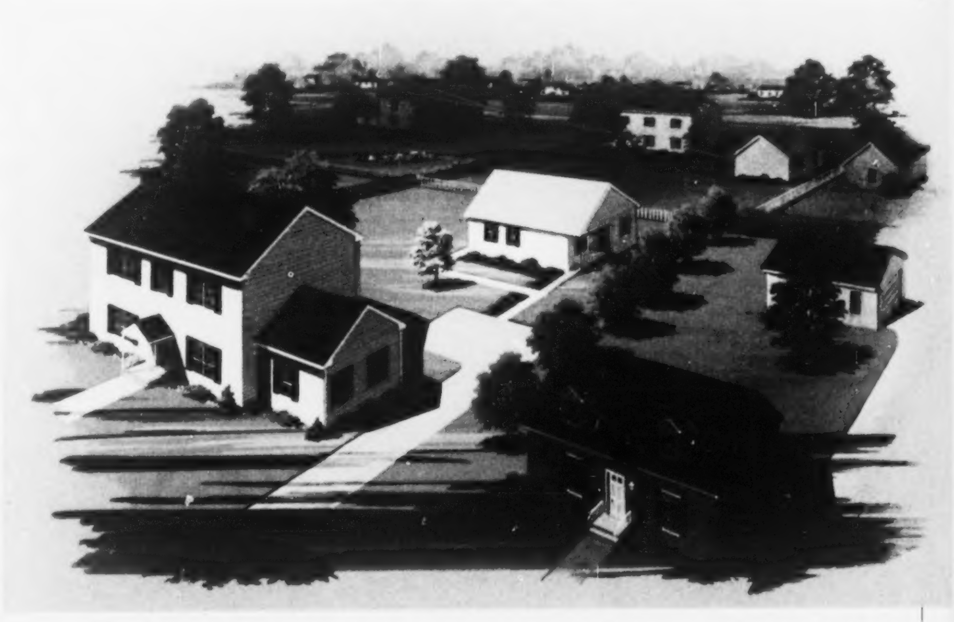
Modulars are being used with increasing frequency for infill applications, such as inner-city sites where low-income housing is needed.

Regional Building Systems (RBS) of Columbia, Md., is supplying modules for a project in Baltimore.

Continued on page 130.

National code for modulars would step up production levels

Continued from page 128.



Elder cottages, shown in rendering, are self-contained modular units that can be sited behind or adjacent to primary homes. Modular Council president Fred Betz, left, supports a national building code for the industry.

HUD awarded a contract to build 283 townhouses for low- and moderate-income families to Enterprise Nehemiah Development Inc., a joint venture between BUILD (Baltimoreans United in Leadership Development) and the Enterprise Foundation.

RBS is putting up the housing in partnership with a Baltimore contractor, Struever Bros., Eccles & Rouse.

RBS president Keith Sholos says townhouses will be built on scattered sites throughout the city. Units are approximately 1000 square feet and sell for about $70,000.

"We have more applications for housing than we can fill," says Sholos. "This inner-city work is a big growth area, at least for us."

Strattan Building Systems, Knox, Pa., ships a broad range of modular product to 24 states and Canada. Don Martz, president, says the company's ability to customize sets it apart from other manufacturers.

One niche Strattan has successfully carved out is housing for the elderly. The company's Penn Craft division offers E.C.H.O. housing (Elder Cottage Housing Opportunity): small, self-contained modular homes that can be placed in the yard of primary homes or in cluster-type villages. E.C.H.O. houses feature barrier-free designs that make them particularly adaptable to elderly or handicapped persons.

One of the most troublesome factors inhibiting the growth of modulars is the lack of a national building code, such as the HUD code that regulates manufactured homes. Each state has a different set of requirements for modulars.

The NAHB and BSC have worked for the past three years to advance federal legislation (known as H.R. #1235) that would establish a Modular Construction Commission and create a national, uniform regulatory program for modular building components.

Congressman Ben Erdreich, the original sponsor of H.R. #1235, has asked Congressman Henry Gonzalez, chairman of the Subcommittee on Housing and Community Development, to have 1235 language put into the Housing Reauthorization bill. Erdreich is backed by NAHB president Jay Buchert, BSC chairman John Slayter, Modular Building Systems Council president Fred Betz, and a host of modular manufacturers.

"The opportunity to get the bill passed appears to be good this year; there's a lot of interest in it," says Jim Birdsong, BSC executive director. "There has been some economic recovery and builders are getting busy again. They're going to be reminded of the difficulties in shipping modulars across state lines."

In spite of regulatory problems, Betz believes that modular housing, coupled with other building systems such as panelization, will continue to grow, probably more so east of the Mississippi River than west of it.

"The idea of using modulars, not just for new construction but also for remodeling, has opened up a whole new set of opportunities for our industry," he says.

By Susan Bady,
Senior Editor

INDICATORS

Existing Home Sales Bounce Back Strongly

The moderately priced first-time move-up market should soon benefit.

Sales of existing homes have surged in recent months. The recovery in single-family home construction has been concentrated in the entry-level, starter-home segments of the market.

With current homeowners enjoying greater success in selling, the moderately priced first-time move-up market should soon benefit.

According to the National Association of Realtors, the seasonally adjusted annualized pace of single-family home sales rose 9.3% between January and February. February's pace was 11.4% higher than in the same month a year earlier. Existing home sales have been above their year-ago rate for six consecutive months now, and for eight of the last 10 months.

After falling 4.2% in 1990, existing home sales stabilized in 1991. We expect last year's negligible 0.3% loss to be followed by strong growth of 9.5% in 1992.

If our forecast is on the mark, this year's gain for existing home sales will be the largest recorded since 1986.

The Commerce Department has reported that the value of new residential construction put in place during the first two months of this year was well above the recorded pace of January-February 1991.

On a seasonally adjusted annualized basis, total new residential construction spending in February 1992 was 17.8% greater than the February 1991 level. January's numbers showed a 12.1% over-the-year upturn.

All of the strength was concentrated in the single-family sector. The value of new single-family homes put in place during February 1992 was more than 27% above the year-ago level, while the value of construction in new multifamily buildings was down a discouraging 31.5% over the same period.

Monthly single-family new construction spending values have been above their year-earlier levels for six consecutive months now.

The multifamily sector, on the other hand, hasn't seen even a single month better than the same month a year earlier since September 1989.

We are forecasting a gain of about 15% in total new residential construction spending this year, following a drop of 13.4% in 1991.

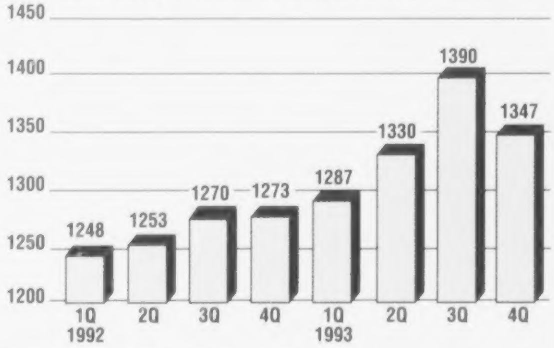
By Daryl Delano, Cahners Economics

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Boston	+64.3%	$111,362	+20.3%	-4.1%
Philadelphia	+63.6%	$92,007	-3.8%	-1.5%
Atlanta	+43.1%	$88,220	+13.0%	-2.3%
Memphis	+86.8%	$87,694	+4.5%	+0.7%
Dallas	+72.2%	$115,572	+24.7%	-0.2%
Cincinnati	+40.6%	$95,926	+26.2%	+0.4%
Minneapolis	+66.8%	$110,539	+41.0%	+0.8%
Denver	+65.6%	$126,684	-2.4%	+1.4%
Los Angeles	-1.3%	$147,970	-1.6%	-1.4%

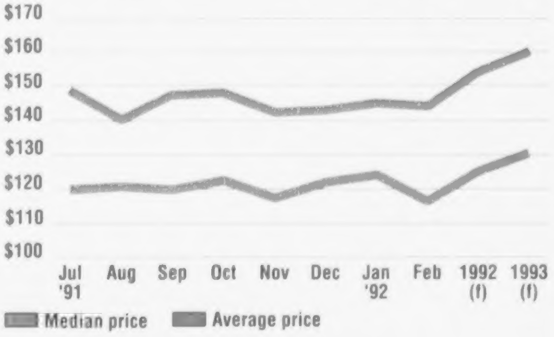
Sources: U.S. Departments of Commerce and Labor

Quarterly Forecast Of Housing Starts



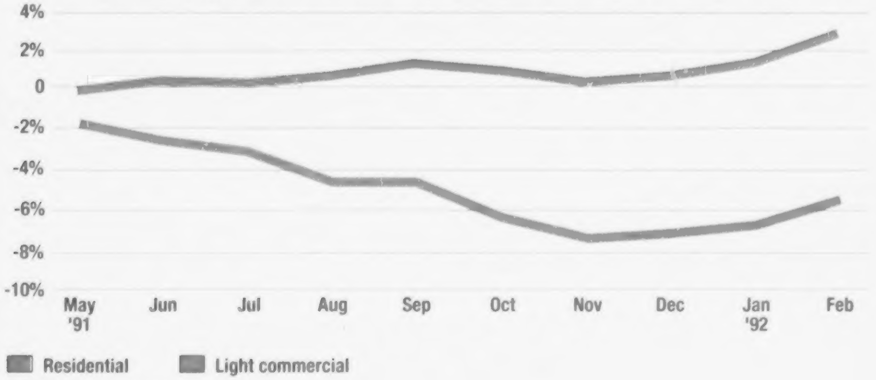
Data reflect quarterly averages, in thousands of units.
Forecast: Cahners Economics

Sales Prices Of New Single–Family Homes



Data in thousands of dollars.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

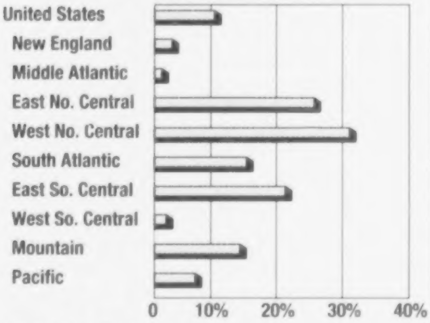
Remodeling Permit Trends—Residential & Light Commercial



Data reflect % change in 12-month moving totals
Source: U.S. Department of Commerce

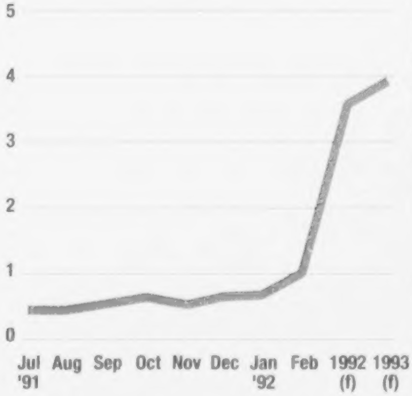
Residential Remodeling Permit Value Trends

(Year-To-Date 1992 vs. 1991)



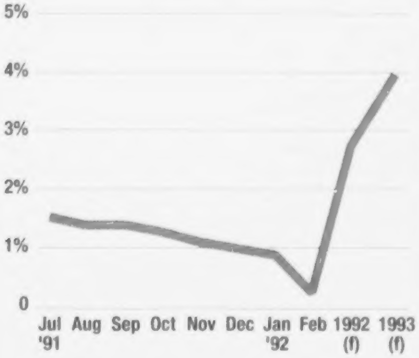
Source: U.S. Department of Commerce

Trend In Construction Materials Prices



Data reflect over-the-year change in Producer Price Index
Source: U.S. Department of Labor

Trend In Construction Labor Costs



Data reflect over-the-year change in average hourly earnings

Source: U.S. Department of Labor. Forecast: Cahners Economics

Key Trends At A Glance

	Feb '92	May '91
Total housing starts*	1,304,000	983,000
New home sales*	613,000	507,000
Remodeling permit trend	+2.9%	-0.1%
Consumer confidence index**	47.3	76.4
Median new home price	$117,000	$116,000
Fixed-rate mortgage	8.76%	9.47%
Construction wage trend	+0.3%	+1.4%

* Seasonally adjusted annual rate, in thousands.
** 1985 = 100.

Remodeling Weakness Persists

Recently released data from the Commerce Department shows that remodeling spending remained weak through the third quarter of last year. Total consumer spending for residential upkeep and improvement work was at a seasonally adjusted annualized rate of $97.2 billion during the period of July-September 1991. Home-improvement spending reached a record high total of $106.8 billion in 1990, but was at a below-$100 billion rate for all three quarters of 1991 for which data are available.

Focusing on those expenditures that can reasonably be identified as true remodeling activities—additions and alterations to the existing home—we find something interesting. Spending during the third quarter of 1991 was at an annualized rate of $30.3 billion—higher than the rate recorded during the first quarter of the year ($24.8 billion), but 17% below the second-quarter rate.

Through the first nine months of 1991, total dollars spent on home additions and alterations was off 17.2% from the January-September 1990 level. Spending on other home improvements characterized as major replacements was down 11.6%, although there was a sharp increase between the second and third quarter of 1991.

Spending on smaller-ticket home-maintenance and repair jobs held up much better, off only 1.7% from the 1990 pace through the first three quarters of 1991. ☐

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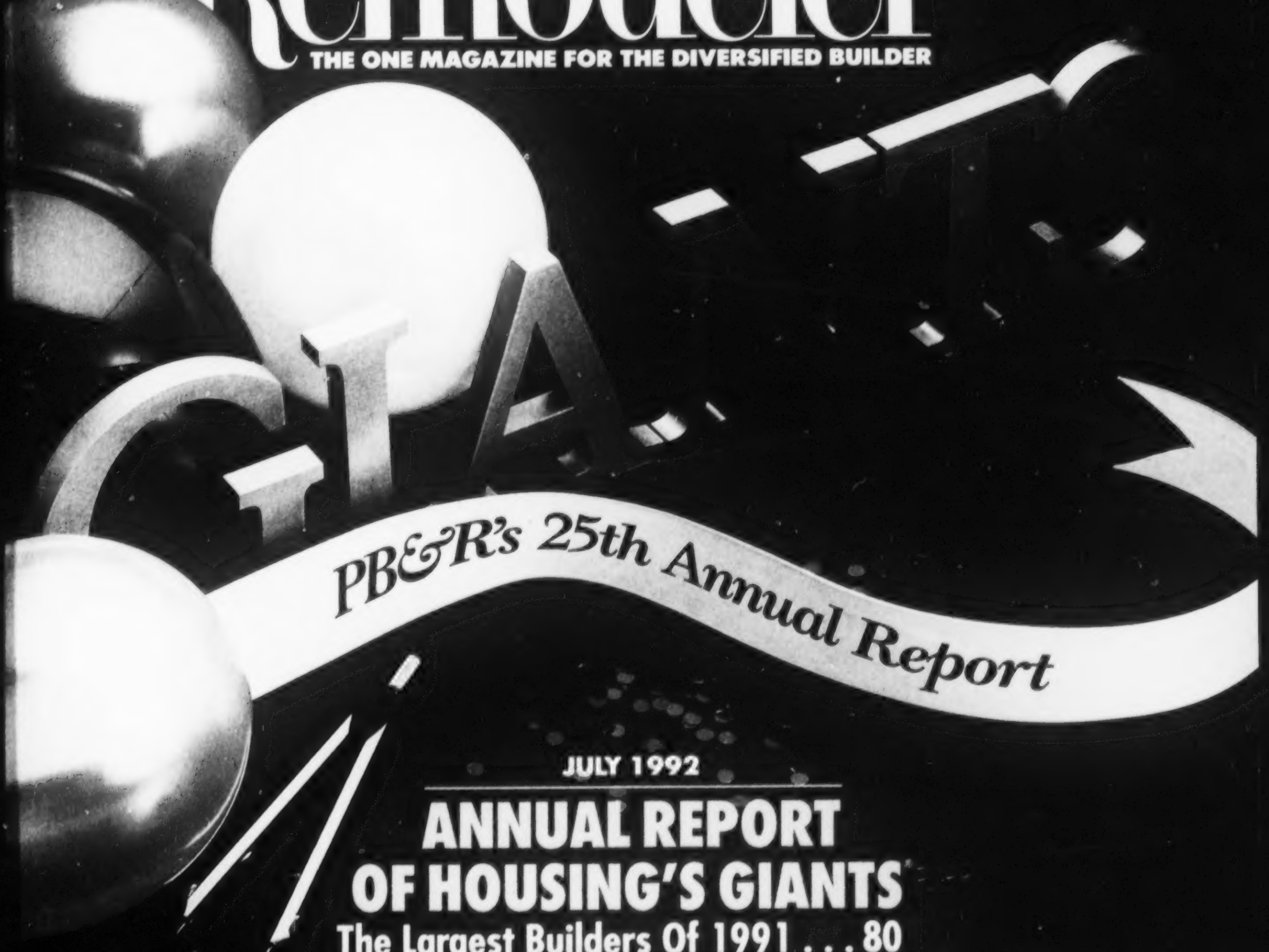

JULY 1992

ANNUAL REPORT OF HOUSING'S GIANTS

The Largest Builders Of 1991 . . . 80
The Industry Outlook At Mid-Year . . . 12
Exclusive Salary Survey . . . 46
Award-Winning West Coast Designs . . . 72

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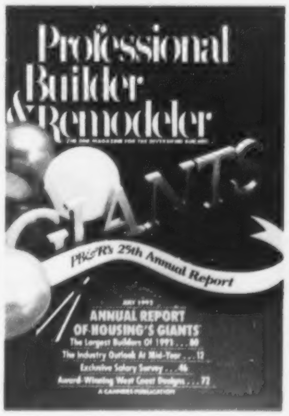
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A CAHNERS PUBLICATION

On The Cover

In this issue, we present our 25th ANNUAL REPORT OF HOUSING'S GIANTS®. While it was the industry's worst year since World War II, there are many strong performers worth watching. Coverage begins on page 80. Cover photography by Marc Berlow.

Gold Nugget award winners: p. 72.

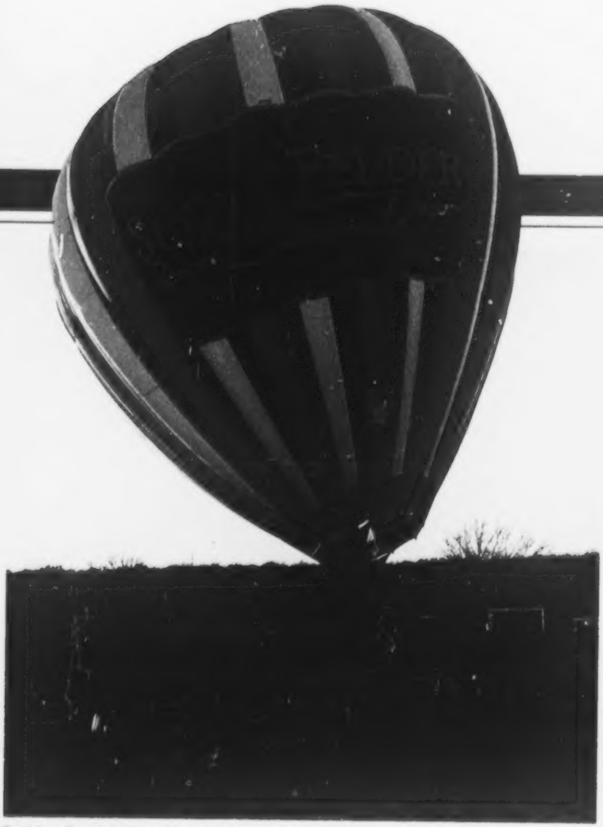
FEATURES

1992 Gold Nugget Award Winners 72

Here is a series of design "gems" from the West. The Gold Nugget Awards are sponsored by the Pacific Coast Builders Conference and co-sponsored by Sun/Coast Architect/Builder *magazine.*

25th ANNUAL REPORT OF HOUSING'S GIANTS® 80

Our "silver anniversary" celebration is a bit muted this year. But when an industry is in flux, there is also opportunity as companies prepare for better times ahead. Our complete report includes a statistical overview (beginning on page 80), capsule company reports (beginning on page 88), and a quick reference index (page 118).



Builder Scott Felder flies high with aggressive growth strategy: p. 54.

Latest new products: p. 122.

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Business

▪ The housing market's outlook at midyear indicates that oil-patch cities will record the biggest gains in 1992: *p. 12.* Industry experts say they're most concerned about decreasing funds and increasing regulation: *p. 16.*

Markets

▪ Here's the story of how one builder sold and framed 211 houses in three months: *p. 27.* Designing new homes with traditional and historical touches presents special challenges: *p. 32.*

Management

▪ According to an exclusive survey, as building executive salaries and bonuses drop, the industry's "high-roller" image seems to be disappearing: *p. 46.*

Technology

▪ Using safe building products in a home remodeling reduces the chemically sensitive owners' exposure to synthetic materials: *p. 121.* Austin, Texas, builder Scott Felder used an aggressive growth strategy to prosper during the state's market bust. Now, he's flying high: *p. 54.*

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BUSINESS

■ INDUSTRY OUTLOOK

Oil Patch Cities To Record Biggest Building Gains In 1992

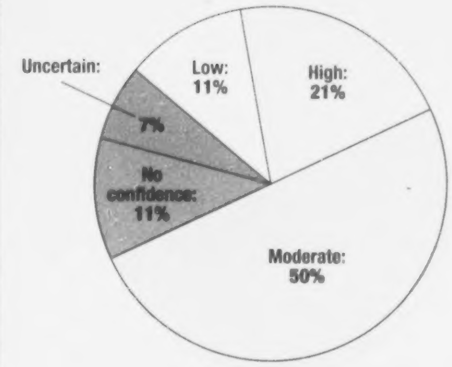
Key concerns: consumer confidence and the scarcity of money.

According to an exclusive *PB&R* survey, builders are somewhat more upbeat about business prospects for the rest of the year, although they're still very worried about lagging consumer confidence.

As the charts on the following pages indicate, there are plenty of "lookers" (model home traffic is up, say 68% of builders) but relatively few convert to buyers.

According to the survey, which was conducted in April-May of this year, the biggest problems facing the market right now are buyer demand and a scarcity of money. In the long run, builders see government regulation and land availability as key obstacles.

How Do Builders Rate Consumer Confidence?



Cahners Economics has revised its forecast of the top residential construction markets for 1992 (details are shown on the following page). The chart data shows projected city rankings for 1992, population and employment trends, and final construction values.

Cities projected for big increases this year include Dallas, Houston, Denver and Honolulu.

In general, residential construction growth markets have been heavily dominated by areas in which natural resources are an important part of the economic base. Most of the high-growth areas are either highly dependent on oil or are located in the Mountain region. □

What Will Be The Biggest Constraints On The Market Over The Short Term?	What Will Be The Biggest Constraints On The Market In The Long Run?
1. Buyer economics/demand	**1.** Government regulation
2. Money availability	**2.** Availability of buildable land
3. Supply prices	**3.** Price of buildable land
4. Price of buildable land	**4.** Money availability
5. Government regulation	**5.** Buyer economics

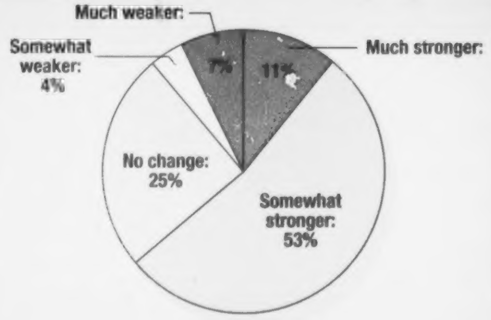
What Will Be The Hot Markets In 1992?

1. Affordable housing
2. Move-up housing
3. Residential remodeling
4. Move-down housing

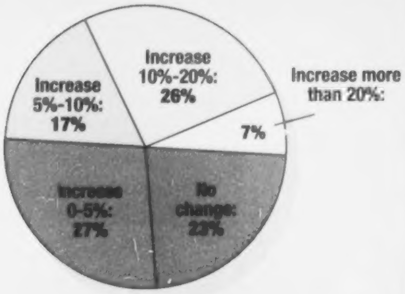
What Will Be The Hot Markets In 1993?

1. Affordable housing
2. Move-up housing
3. In-city/infill housing
4. Luxury housing
5. Residential remodeling

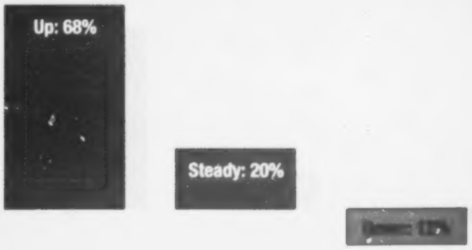
Industry Outlook For Rest Of 1992



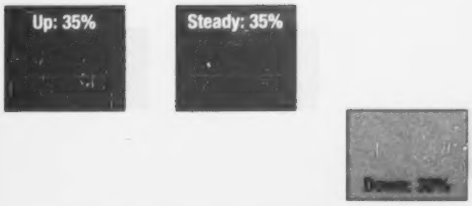
What Impact Would President Bush's First-Time Buyer Incentives Have On Sales?



How Is Your Current Model Home Traffic Compared To Previous Six Months?



What Is Your Percent Of Sales To Traffic Compared To Previous Six Months?



Mid-Year Outlook
(continued)

Total New Residential Construction

Projected 1992 Rank as of 2/92	Projected 1992 Rank as of 9/91	Metropolitan Area	Value 1991 ($000)	Value 1990 ($000)	% Change	Final 1991 Rank	Average Permit Value ($)	Popul. Growth 1980-90	Employ. Growth 11/90 to 11/91
1	2	Phoenix, Ariz.	1,597,427	1,288,322	24.0%	4	107,188	40.6%	0.0%
2	7	Atlanta, Ga.	1,840,244	1,824,398	0.9%	2	78,312	32.5%	−2.4%
3	4	Dallas, Texas	1,345,051	1,214,985	10.7%	7	94,443	30.4%	−0.2%
4	1	Los Angeles-Long Beach, Calif.	1,985,677	2,875,559	−30.9%	1	124,925	18.5%	−1.1%
5	8	Minneapolis-St. Paul, Minn.	1,376,725	1,358,269	1.4%	6	100,948	15.3%	0.4%
6	5	Houston, Texas	1,075,678	997,896	7.8%	12	79,234	20.7%	1.1%
7	11	Detroit, Mich.	1,203,285	1,200,108	0.3%	9	84,912	−2.4%	−1.9%
8	10	Riverside-San Bernardino, Calif.	1,676,832	2,997,907	−44.1%	3	103,906	66.1%	0.3%
9	13	Washington, D.C.	1,415,908	1,648,414	−14.1%	5	78,175	20.7%	−1.8%
10	6	Las Vegas, Nev.	1,173,401	1,142,725	2.7%	11	66,256	60.1%	0.0%
11	14	Chicago, Ill.	1,320,883	1,660,354	−20.4%	8	108,474	0.1%	0.3%
12	12	Denver, Colo.	777,025	492,152	57.9%	20	125,327	13.6%	2.0%
13	3	San Diego, Calif.	1,177,605	1,803,276	−34.7%	10	149,007	34.2%	−1.8%
14	9	Honolulu, Hawaii	669,771	401,876	66.7%	25	162,645	9.7%	0.4%
15	23	Philadelphia, Pa.	893,488	937,253	−4.7%	16	80,734	3.0%	−1.2%
16	25	Tampa-Clearwater, Fla.	817,567	864,118	−5.4%	19	74,102	28.2%	0.1%
17	18	Indianapolis, Ind.	747,845	739,672	1.1%	21	101,170	7.1%	2.1%
18	29	Columbus, Ohio	700,252	676,575	3.5%	23	83,473	10.7%	0.8%
19	15	Orlando, Fla.	972,008	1,238,332	−21.5%	15	72,728	53.3%	−1.5%
20	24	Baltimore, Md.	854,740	903,131	−5.4%	17	76,969	8.3%	−2.0%
21	19	Kansas City, Mo.	645,601	656,592	−1.7%	27	87,492	9.3%	−0.3%
22	26	St. Louis, Mo.	658,944	674,745	−2.3%	26	80,534	2.8%	−0.9%
23	35	Cincinnati, Ohio	582,859	551,294	5.7%	31	75,217	3.7%	0.3%
24	20	Sacramento, Calif.	1,049,822	1,884,161	−44.3%	13	106,896	34.7%	−0.5%
25	16	Seattle, Wash.	1,032,904	1,785,665	−42.2%	14	99,432	22.7%	0.9%
26	34	Charlotte, N.C.	627,741	694,819	−9.7%	29	74,395	19.6%	−0.3%
27	40	West Palm Beach, Fla.	639,693	686,142	−6.8%	28	85,236	257.3%	−1.6%
28	22	Raleigh-Durham, N.C.	536,565	490,299	9.4%	35	83,279	31.2%	−0.4%
29	36	Fort Worth-Arlington, Texas	523,375	507,731	3.1%	37	100,533	36.9%	−1.1%
30	21	Jacksonville, Fla.	530,511	521,717	1.7%	36	72,031	25.5%	−0.3%
31	43	Cleveland, Ohio	562,528	570,424	−1.4%	34	116,586	−3.6%	−0.4%
32	—	Miami, Fla.	575,863	670,088	−14.1%	32	78,062	19.2%	−3.5%
33	17	Anaheim-Santa Ana, Calif.	835,706	1,057,824	−21.0%	18	126,049	24.7%	−1.4%
34	30	Oakland, Calif.	720,481	799,111	−9.8%	22	106,423	18.2%	−0.6%
35	—	Fort Lauderdale, Fla.	585,027	813,006	−28.0%	30	90,899	23.3%	−1.6%
36	—	Portland, Ore.	682,245	915,484	−25.5%	24	90,507	12.1%	1.1%
37	38	Nashville, Tenn.	450,902	409,922	10.0%	41	80,275	15.8%	0.7%
38	44	Pittsburgh, Pa.	429,336	388,399	10.5%	43	91,738	−7.3%	−0.2%
39	28	Salt Lake City, Utah	418,013	318,904	31.1%	45	88,675	17.8%	2.3%
40	—	Boston, Mass.	477,968	462,439	3.4%	40	110,055	2.3%	−4.2%

MANAGEMENT

■ COMPENSATION

Building Executive Salaries, Bonuses Drop As Recession Persists

According to an exclusive salary survey, lavish bonus plans and the industry's "high-roller" image seem to be disappearing.

While the seemingly limitless compensation of some corporate types has garnered bad publicity in *Business Week* and *Forbes* recently, home building executives are taking big hits to protect their people. According to our 1991-'92 Residential Builders Compensation Survey, overall compensation dropped 12% last year, grounded primarily in even larger declines in bonuses.

For example, CEOs and COOs saw overall cash compensation drop 32% and 30% respectively, and bonuses were off 43% and 46%. Other big losers were the Top Development Executives, CFOs, Construction Executives and Profit Center Heads.

Even in the face of this lingering recession, we're seeing a lot of interest in compensation. Nearly 85% of survey respondents said they think it is time to re-evaluate the way executives are paid in this industry. CEOs are searching for ways to relate incentives to the "real" bottom line, while holding on to key people. They are reconsidering the "flashy" personalized incentive plans of the high-roller 1980s and opting for more company-wide incentives.

The day may come when we see sales commissions and unit-production incentives disappear altogether. The rationale: Why should these people get their incentives off the top, before profits are calculated?

The current recession has hit builders hard: 95% of our survey participants eliminated and/or consolidated a number of positions. While many of the companies have held on to their good-performing, long-term employees, more than half had to cut staff and salaries in order to do so. While 65% of the participants have maintained their annual incentive programs, 20% did not pay any last year. Also, another 41% did not pay any long-term incentive last year.

The recession also has taken its toll on fringe benefits. For example, 84% of respondents reduced their major medical group-insurance coverage, and 17% said that their life insurance programs had been affected.

By Lee Stephens, Lee Stephens & Associates

San Diego, Calif.-based Lee Stephens & Associates has conducted the Residential Builders Compensation Survey annually since 1974. This year, 65% of participants were from the west, while 35% were from the east. Privately held firms account for 63% of responses, with publicly held firms or their subsidiaries accounting for the rest.

Builders pay a participation fee and provide their data. In return, they receive a 2-inch-thick report. Contact the firm at 619-459-9258.

Executive Pay: Total Compensation Packages

Corporate Position	Average Base Salary	Average Annual Bonus	Total Compensation	% change 1990-'91
Chief Executive Officer	$283,000	$269,000	$421,000	-32%
Chief Operating Officer	$215,000	$162,000	$312,000	-30%
Top Development Executive (SF)	$118,000	$109,000	$220,000	-25%
Top Development Executive (MF)	$89,000	$50,000	$126,000	-17%
Chief Financial Officer	$124,000	$79,000	$183,000	-11%
Controller	$77,000	$20,000	$90,000	-4%
Top Mortgage Financing Executive	$109,000	$67,000	$163,000	-9%
Top Sales & Marketing Executive	$96,000	$26,000	$117,000	4%
Customer Service Manager	$51,000	$10,000	$56,000	8%
Top Human Resources Executive	$70,000	$20,000	$81,000	16%
Top Community Affairs Executive	$136,000	$46,000	$156,000	0%
Top Operations Executive	$94,000	$38,000	$114,000	-10%
Top Land Engineering/ Development Executive	$90,000	$31,000	$111,000	2%
Top Architectural Design Executive	$73,000	$34,000	$93,000	-4%
Top Land Acquisition/ Sales Executive	$93,000	$46,000	$120,000	-4%
Top Property Management Executive	$65,000	$16,000	$79,000	-14%
Group Executive (Multiple Profit Centers)	$159,000	$89,000	$213,000	-2%
Regional/Divisional Profit Center Head	$113,000	$80,000	$173,000	-7%

Note: Base, Bonus and Total Compensation figures are tallied individually, and cannot be added to yield total compensation. Source: Lee Stephens & Associates.

Perks such as company cars are still offered to building executives, but lavish cash-incentive plans are on the decline.

Executive Pay: Long-Term Incentives

Corporate Position	Incentive Stock Options	Other Stock Plans	Phantom Stock	Equity Participation
Chief Executive Officer	$554,000	$2,126,000	—	$375,000
Chief Operating Officer	$299,000	$216,000	$400,000	$375,000
Top Development Executive (SF)	$52,000	$170,000	—	$250,000
Top Development Executive (MF)	$3000	—	—	—
Chief Financial Officer	$264,000	$66,000	—	$250,000
Controller	$34,000	$8000	—	—
Top Mortgage Financing Executive	—	$33,000	$2000	—
Top Sales & Marketing Executive	$3000	$63,000	—	$18,000
Customer Service Manager	—	—	—	—
Top Human Resources Executive	—	$45,000	—	—
Top Community Affairs Executive	$98,000	—	—	—
Top Operations Executive	—	—	$200,000	—
Top Land Engineering/ Development Executive	$2000	$38,000	—	$3000
Top Architectural Design Executive	$3000	$11,000	$2000	—
Top Land Acquisition/ Sales Executive	$3000	$44,000	—	—
Top Property Management Executive	$3000	—	—	—
Group Executive (Multiple Profit Centers)	$4000	$38,000	$2000	—
Regional/Divisional Profit Center Head	$32,000	$107,000	$2000	$241,000

Source: Lee Stephens & Associates

Executive Pay: Benefits & Perks

Corporate Position	Company Car Or Allowance	All Insurance	Pension Plan	Clubs
Chief Executive Officer	$10,000	$8000	$13,000	$7000
Chief Operating Officer	$8000	$7000	$9000	$3000
Top Development Executive (SF)	$8000	$6000	$6000	$3000
Top Development Executive (MF)	$6000	$3000	$6000	$1000
Chief Financial Officer	$7000	$6000	$7000	$2000
Controller	$6000	$5000	$4000	$1000
Top Mortgage Financing Executive	$6000	$4000	$7000	$1000
Top Sales & Marketing Executive	$7000	$5000	$5000	$1000
Customer Service Manager	$6000	$5000	$3000	—
Top Human Resources Executive	$6000	$5000	$5000	—
Top Community Affairs Executive	$9000	$8000	$10,000	—
Top Operations Executive	$8000	$5000	$7000	$5000
Top Land Engineering/ Development Executive	$7000	$6000	$4000	—
Top Architectural Design Executive	$5000	$4000	$4000	$1000
Top Land Acquisition/ Sales Executive	$6000	$7000	$7000	$2000
Top Property Management Executive	$5000	$4000	$4000	—
Group Executive (Multiple Profit Centers)	$6000	$28,000	$8000	$2000
Regional/Divisional Profit Center Head	$7000	$7000	$6000	$2000

Source: Lee Stephens & Associates

GIA
PB&R's 25th Annual Repor

Our "Silver Anniversary" celebration is a bit muted this year. As fate would have it, *Professional Builder & Remodeler*'s 25th ANNUAL REPORT OF HOUSING'S GIANTS® covers 1991, housing's worst year since World War II.

Total 1991 revenues from the Giant 400 were $41.6 billion, a good deal less than the $46.3 billion posted in last year's report (covering 1990) and well off the record $57.8 billion of 1987.

But when an industry is in flux, there also is opportunity. This year, there are 62 new entrants to the list of top builders, many hailing from rebounding markets in Texas and hard-hit areas of the Northeast.

Another point worth noting about this severe recession: The Giant builders, as a whole, are not consolidating and putting a stranglehold on the market. A quick glance at the "Share of Market" data on the following pages shows that the Giants accounted for just 22.9% of the conventional housing built in 1991—a figure that's actually slightly down from recent years. Granted, some large builders are picking up market share in some decimated local markets, but that happens in every cycle.

To compile this report, *PB&R* mailed surveys to its data base of large-volume builders. The list focuses on builders of low-rise (four

PB&R's 25th Annual Report of Housing's Giants®

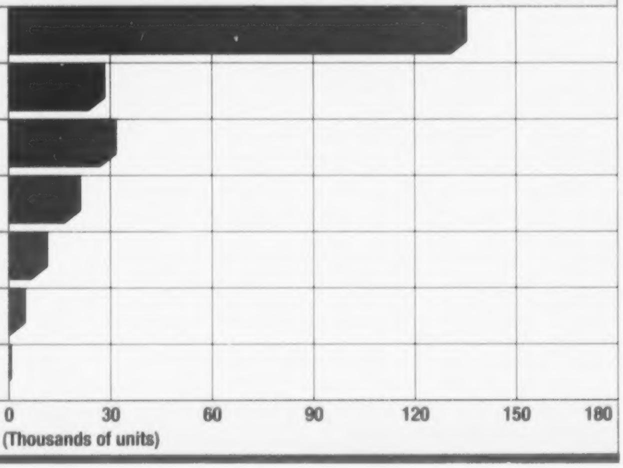
Ryland Group, Fleetwood Top Leaders List

For-sale housing	Rental housing	Mobile homes	Manufactured housing
1. Ryland Group $1,214,295,000 8594 units	**1.** Pacific Properties $433,600,000 722 units	**1.** Fleetwood Enterprises $574,000,000 35,400 units	**1.** Wausau Homes $89,956,000 3194 units
2. Centex Corp. $1,000,839,000 7462 units	**2.** William Lyon Co. $194,700,000 1770 units	**2.** Redman Homes $313,000,000 14,527 units	**2.** Nanticoke Homes $42,000,000 620 units
3. Pulte $887,106,000 6686 units	**3.** Boston Capital Partners $180,000,000 6012 units	**3.** Skyline Corp. $242,467,000 13,232 units	**3.** Lindal Cedar Homes $37,286,000 509 units
4. Kaufman & Broad $799,103,000 4456 units	**4.** GBW Properties $117,000,000 1555 units	**4.** Champion Enterprises $177,718,000 8382 units	**4.** Deluxe Homes of Pa. $34,067,000 886 units
5. NVR L.P. $648,400,000 3831 units	**5.** Hunt Building Corp. $110,496,000 1718 units	**5.** Clayton Homes $167,567,000 10,104 units	**5.** North American Housing $32,200,000 920 units
6. Weyerhaeuser Real Estate $590,000,000 3941 units	**6.** Simpson Cos. $108,800,000 1762 units	**6.** Schult Home Corp. $161,112,000 5913 units	**6.** All American Homes $32,000,000 1750 units
7. William Lyon Co. $520,717,000 2091 units	**7.** Trammell Crow $106,000,000 1750 units	**7.** Fairmont Homes $145,526,000 8344 units	**7.** Ritz-Craft Corp. $27,800,000 810 units
8. U.S. Home Corp. $469,300,219 3975 units	**8.** Robertson Homes $100,000,000 1176 units	**8.** Palm Harbor Homes $133,977,000 5063 units	**8.** Contempri Homes $20,890,000 622 units
9. Lewis Homes $382,867,142 2563 units	**9.** Goldrich & Kest $97,842,000 198 units	**9.** Oakwood Homes Corp. $125,507,000 5546 units	**9.** National Building Systems $18,183,399 1508 units
10. UDC-Universal Dev. $336,334,577 2039 units	**10.** Lincoln Property $96,811,000 1027 units	**10.** Horton Homes $89,000,000 8900 units	**10.** Horton Homes $14,000,000 500 units

PB&R's 25th Annual Report

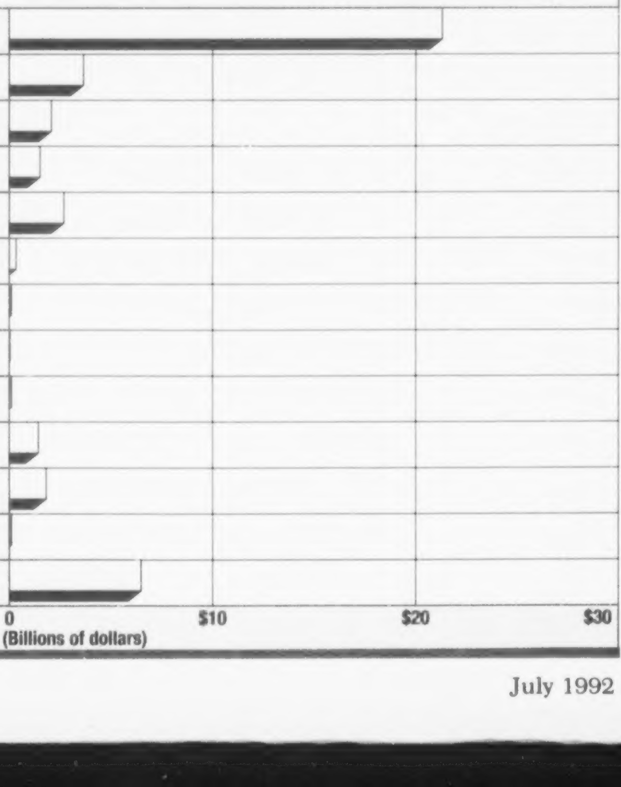
The Giant 400 Unit Production in 1991

Source	1991	1990
Single-family detached for-sale: 135,378 units	58.2%	49.6%
Single-family attached for-sale: 28,256 units	12.1%	15.3%
Low-rise apartments for own portfolio: 31,602 units	13.6%	9.9%
Low-rise apartments for investors: 21,051 units	9.1%	16.5%
Modular housing: 11,258 units	4.8%	3.4%
Panelized housing: 4,668 units	2.0%	4.8%
Precut housing: 509 units	0.2%	0.5%
Total units	232,722	292,682



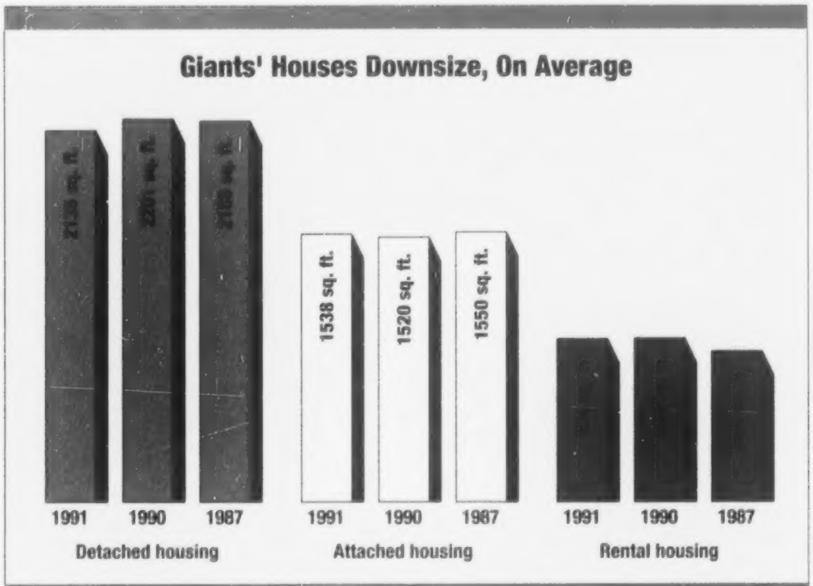
How The Giant 400 Earned Their Revenues

Source	1991	1990
Single-family detached for-sale: $21,308,014,320	51.2%	50.9%
Single-family attached for-sale: $3,651,814,058	8.8%	11.9%
Low-rise apartments for own portfolio: $2,073,344,166	5.0%	3.9%
Low-rise apartments for investors: $1,511,325,082	3.6%	7.0%
Mobile homes: $2,681,621,381	6.4%	5.7%
Modular housing: $333,787,512	0.8%	0.7%
Panelized housing: $96,716,387	0.2%	0.5%
Precut housing: $37,286,000	0.1%	0.1%
High-rise: $102,920,000	0.3%	0.3%
Land sales: $1,428,233,359	3.4%	4.1%
Non-res construction: $1,809,986,939	4.3%	6.7%
Remodeling and rehabilitation: $104,202,380	0.3%	0.5%
Other (rents, fees, interest): $6,480,494,040	15.6%	7.7%
Total revenues:		$41,619,745,624



PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Average Giant-built single-family-detached home has 2135 square feet and sold for $191,672 —way up from the pace of 1990.

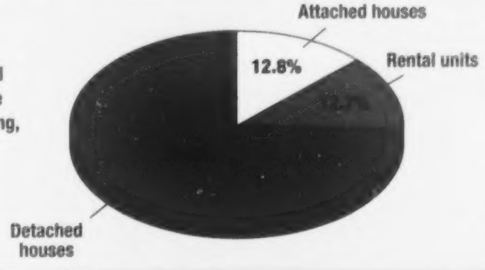

Giants' Houses Downsize, On Average

Average Price Of Giants' Homes Are On The Rise

	1991	1990	1989
Single-family detached	$191,672	$162,765	$158,500
Single-family attached	$146,227	$123,300	$123,800
Modular housing	$29,648	$34,745	$31,575
Mobile homes	$18,967	$18,885	$18,435
Rental (market value)	$71,793	$65,620	$65,340

The Giants Are House Builders

Pie shows how housing revenues are split among the Giant 400. In 1991, detached housing increased its share from 69% in 1990. Increase came at the expense of rental housing, which accounted for 14.9% of revenues in 1990 and attached housing, which dropped from a 16.1% share in 1990.



stories or less) housing. Those firms that build high-rise housing exclusively are not included in this list.

Revenues reported include sales which have been consummated or closed. Joint venture or partnership activities are included on a pro-rata basis.

The top 400 builders are ranked by total revenue from diversified activities, ranging from new home and apartment construction to remodeling, mortgage banking and land sales. However, adhering strictly to this procedure would create distortions. For example, a company that builds one house but has $3 billion in non-residential revenue would be No. 1.

Thus, we apply a "40% Rule" to the rankings: To be ranked on the basis of total revenues, at least 40% of that number must be derived from new-home, apartment or manufactured-housing construction. If that number is less than 40%, the company is ranked only on the basis of housing construction revenues, although all of its sources of revenues are described in the company profile. This year, 13 firms out of the Giant 400 were ranked this way.

PB&R editors also estimated the revenues of 16 builders it believes qualified for Giant status. Those estimates are noted.

In 1991, the industry's top 400 builders turned out a total of 374,102 new homes, broken down as: 163,634 for-sale units; 52,653 apartment units; 16,435 modular, panelized and precut units; and 141,380 mobile homes.

While total revenue for the Giant 400 was down by nearly $5 billion, the revenue breakdown is consistent with years past. The most notable deviation was that 58% of the Giant 400's unit production was in single-family detached-home construction this year, up from 49.6% in last year's report.

Apartment units put into service by the Giant 400 last year totaled 59,858—down from the 77,452 built in 1990. Revenues from apartment

PB&R's 25th Annual Report

Centex Holds Total Revenue Lead; Kaufman & Broad Continues Rising

	1992 report	1991 report	1990 report	1989 report	1988 report
1.	Centex Corp. $2,119,180,000	Centex Corp. $2,288,597,000	Trammell Crow $2,275,000,000	Trammell Crow $3,018,500,000	Lincoln Property Co. $2,504,049,000
2.	Kaufman & Broad $1,220,995,000	Lincoln Property Co. $2,057,714,000	Centex Corp. $2,002,952,000	Lincoln Property Co. $2,126,997,000	Centex Corp. $1,460,061,000
3.	Ryland Group $1,214,295,000	Trammell Crow $1,717,693,000	Lincoln Property Co. $1,867,642,000	Centex Corp. $1,845,484,000	Trammell Crow $1,098,897,264
4.	PHM Corp. (Pulte) $887,106,000	Kaufman & Broad $1,366,264,000	William Lyon Co. $1,492,100,000	William Lyon Co. $1,401,000,000	Weyerhaeuser $886,000,000
5.	NVR L.P. $818,871,000	Ryland Group Inc. $1,300,000,000	Ryland Group $1,400,000,000	NVR L.P. $1,321,275,000	NV Ryan $870,472,000
6.	William Lyon Co. $772,290,000	William Lyon Co. $1,184,845,000	Kaufman & Broad $1,322,511,000	Ryland Group $1,271,875,000	Ryland Group $847,932,000
7.	Weyerhaeuser Real Estate $743,700,000	NVR L.P. $1,079,350,000	NVR L.P. $1,294,389,000	PHM Corp. (Pulte) $1,179,164,000	William Lyon Co. $821,000,000
8.	Fleetwood Enterprises $574,000,000	Weyerhaeuser Real Estate $811,000,000	Weyerhaeuser Real Estate $975,000,000	Kaufman & Broad $903,399,000	M.D.C. Holdings $799,800,000
9.	M/I Schottenstein Inc. $538,818,000	PHM Corp. (Pulte) $769,970,000	Watt Industries $735,000,000	M.D.C. Holdings $840,597,000	PHM Corp. (Pulte) $793,600,000
10.	Lewis Homes $507,387,743	U.S. Home Corp. $649,374,000	Paragon Group Inc. $720,526,000	Weyerhaeuser Real Estate $819,000,000	U.S. Home Corp. $786,659,000

Schottenstein Shows The Largest Dollar Increase As It Grows 97%

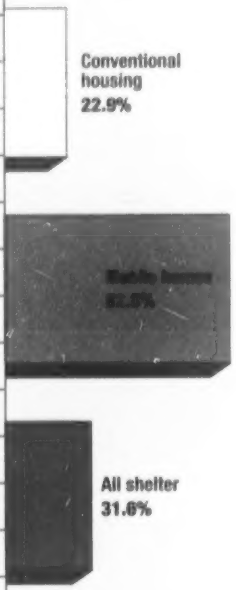
Builder	$ Increase 1990 to 1991	Total 1991 revenues	Builder	% Increase 1990 to 1991	Total 1991 revenues
1. M/I Schottenstein	$264,795,000	$538,818,000	1. First Financial Group	327%	$32,957,000
2. Castle & Cooke	$126,693,000	$236,693,000	2. Woodside Homes	131%	$65,127,917
3. PHM Corp. (Pulte)	$117,136,000	$887,106,000	3. Castle & Cooke	115%	$236,693,000
4. Warmington Homes	$95,500,000	$260,000,000	4. Hunt Building Corp.	111%	$162,392,243
5. Baldwin Co.	$94,803,746	$244,803,746	5. Glick Co.	108%	$17,872,000
6. Hunt Building Corp.	$85,248,002	$162,392,243	6. M/I Schottenstein	97%	$538,818,000
7. Highland Homes	$49,382,419	$119,233,846	7. Mitchell Co.	96%	$61,550,000
8. Skyline Corp.	$37,450,000	$305,461,000	8. Davidson Communities	95%	$64,388,000
9. Woodside Homes	$36,903,044	$65,127,917	9. Melody Homes	77%	$29,550,000
10. David Weekley Homes	$36,540,713	$258,935,629	10. PacWest Development	72%	$31,000,000

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

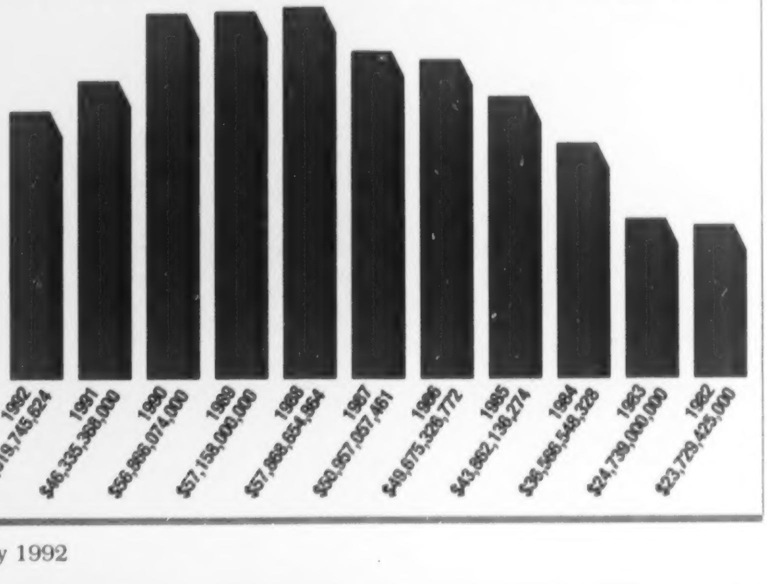
Giants' overall share of market is about even with last year's report, as they account for 22.9% of all conventional housing built in 1991.

The Giant 400's Share Of Market Holds At 31.6%

Year of report	Conventional housing	Mobile homes	All shelter
1980	20.8%	82.2%	29.2%
1981	22.6%	81.0%	31.0%
1982	22.8%	82.1%	32.6%
1983	23.0%	82.6%	34.0%
1984	21.3%	75.4%	29.3%
1985	25.7%	75.9%	32.9%
1986	27.9%	69.2%	33.8%
1987	25.2%	70.6%	34.7%
1988	24.6%	73.7%	30.7%
1989	23.3%	68.6%	29.1%
1990	25.8%	69.6%	31.3%
1991	24.6%	74.6%	31.4%
1992	22.9%	82.8%	31.6%



Giant 400's Total Revenues From All Sources Equal $41.6 Billion



construction measured 8.6% of total revenues, off from the 10.9% posted the previous year and the 12.5% figure posted in 1989.

The Giants hail from nearly all 50 states. However, 184 Giants (46% of the total) are headquartered in the Sun Belt's "Big Three" states: California (with 113 companies), Florida (37 firms) and Texas (34 firms). Other states heavily represented by Giants include Illinois (23 firms), Virginia and Pennsylvania (17 firms each), and Ohio (16 firms).

This year's Giants are engaged in a variety of diversification activities: 340 build single-family detached housing; 184 build single-family attached housing; 83 build rental apartments; 81 have reported some non-residential revenues; 43 do remodeling work; and 23 build mobile homes.

For the second year in a row, the No. 1 Giant is Dallas-based Centex Corp. That company is followed by Los Angeles-based Kaufman & Broad and Columbia, Md.-based Ryland Group, both of which have been steadily climbing the leaders' list over the last five years.

Ryland Group also took top honors in the *For-sale housing* category, building 6594 units for $1.2 billion.

Pacific Properties, Las Vegas, was the leader in the *Rental housing* category, building 722 units for $433 million. Riverside, Calif.-based Fleetwood Enterprises again held the top spot among *Mobile home* builders (35,400 units for $574 million). Wausau Homes, Wausau, Wis., repeated as leader in the *Manufactured housing* category with 3194 units for $90 million.

The fastest growing Giant, on a real dollar basis, was Columbus, Ohio-based M/I Schottenstein, which reported a gain of nearly $265 million over the previous year's report. Strong increases were also posted by Los Angeles-based Castle & Cooke (part of Dole Foods); El Paso, Texas-based Hunt Building Corp.; and Pulte. □

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Mobile Home Giants Fleetwood, Redman and Skyline produced the most units overall; Centex tops the list for conventionally built units.

RANK	COMPANY	TOTAL UNITS
1.	Fleetwood Enterprises	35,400
2.	Redman Homes	14,627
3.	Skyline Corp.	13,232
4.	Clayton Homes	10,104
5.	Fairmont Homes	8563
6.	Champion Enterprises	8382
7.	Centex Corp.	7462
8.	Horton Homes	7400
9.	PHM Corp. (Pulte)	6686
10.	Ryland Group	6594
11.	Boston Capital Partners	6012
12.	Schult Homes Corp.	5913
13.	Oakwood Homes Corp.	5546
14.	Jim Walter Homes	5262
15.	Palm Harbor Homes	5063
16.	Kaufman and Broad	4456
17.	Weyerhaeuser Real Estate	4258
18.	Cavalier Homes	4234
19.	Commodore Corp.*	4000
20.	U.S. Home Corp.	3975
21.	Patriot Homes	3886
22.	William Lyon Co.	3861
23.	Homes of Merit	3860
24.	NVR L.P.	3831
25.	Guerdon Homes	3800
26.	Liberty Homes	3336
27.	Wausau Homes	3194
28.	Lewis Homes	2792
29.	Lennar Corp.	2480
30.	Hovnanian Enterprises	2383
31.	Golden West Homes	2380
32.	Hunt Building Corp.	2134
33.	Fuqua Homes	2108
34.	Trammell Crow Residential	2066
35.	UDC-Universal Development	2039
36.	Wick Building Systems	2005
37.	M/I Schottenstein	1956
38.	Heritage Cos.	1917
39.	M.D.C. Holdings	1782
40.	Simpson Cos.	1762
41.	All American Homes	1750
42.	Paragon Group	1741
43.	Del Webb Corp.	1660
44.	David Weekley Homes	1592
45.	GBW Properties	1555
46.	National Building Systems	1508
47.	Habitat For Humanity	1500
48.	Continental Homes Holding	1450
49.	Coscan Development	1402
50.	Shea Homes	1344
51.	Harkins Builders	1310
52.	Fieldstone Co.	1262
53.	Nanticoke Homes	1240
54.	Lexington Homes	1202
55.	A.G. Spanos Const.	1196
55.	Robertson Homes	1196
57.	Landstar Homes	1154
58.	Holly Corp.	1152
59.	Universal Constructors	1145
60.	DeLuxe Homes of Pa.	1141
61.	Drees Co.	1126
62.	Rayco Inc.	1114
63.	Beazer Properties	1107
64.	Pacific Properties	1077
65.	Colson & Colson Const.	1062
66.	Kimball Hill	1057
67.	Flournoy Const.	1054
68.	Ritz-Craft Corp.	1030
69.	Lincoln Property Co.	1027
70.	Summit Properties	1018
71.	Forecast Group	1003
72.	John LaFata Ltd.	1002
73.	Post Properties	1000
74.	Highland Homes	997
75.	Lowder Const. Co.	978
76.	Watt Industries	970
77.	Robson Communities	949
78.	North American Housing Corp.	920
79.	Jacobsen Manufacturing	900
80.	D.R. Horton	899
81.	Perry Homes	885
82.	Anden Group	883
83.	Picerne Properties	871
84.	Standard Pacific	862
85.	Presley Cos.	846
86.	Edward Rose Building	845
87.	Van Daele Development	840
88.	Arthur Rutenberg Homes	826
89.	Epoch Properties	820
90.	Embrey Associates	812
91.	Harold Moore Associates	790
92.	Levitt Corp.	787
93.	Elliott Homes	780
93.	Forest City Enterprises	780
95.	Baldwin Co.	778
96.	Castle & Cooke Properties	777
97.	Hughes-Patwil Homes	773
98.	D.G. Associates*	762
99.	Wallick Const.	757
100.	Village Builders	740
101.	Calton Inc.	735
102.	Hansen & Horn Group	734
103.	Warmington Homes	730
104.	Kit Manufacturing Co.	729
105.	Woodcrest Development	722
106.	Hills Developers	717
107.	Holtzman & Silverman Const.	712
108.	Evans Withycombe	707
109.	Shapell Industries	704
110.	Mercedes Homes	699
111.	Washington Homes	692
112.	Bozzuto & Associates	690
113.	Triad Development	685
114.	Toll Brothers	676
114.	Falcon Development	676
116.	Milburn Investments	672
117.	Barden & Robeson Homes	650
118.	Regis Homes	645
118.	Crosland Contractors	645
118.	Park Myers Group	645
121.	Western National Properties	640
122.	Bramalea California	638
123.	DiVosta & Co.	636
124.	Signature Homes (Nevada)	633
125.	Schuler Homes	624
126.	Contempri Homes	622
126.	Ewing Properties	622
128.	Orleans Cos.	620
129.	Oriole Homes Corp.	614
130.	Gables Development	610
131.	W.O. Brisben Cos.*	607
132.	General Homes Corp.	606
133.	John Wieland Homes	603
134.	Akins Development	602
135.	Rottlund Co.	600
135.	Arco Const.	600
137.	Royce Homes	586
138.	George Wimpey	585
139.	D.W. Hutson Const.	583
140.	Home Capital Dev. Group*	581
141.	McGuyer Homebuilders	575
142.	Lycon Group*	568
143.	Pacific Scene	565
144.	Roberts Properties	559
145.	S&A Custom Built Homes	558
146.	Ahmanson Development	557
147.	Mitchell Co.	550
148.	McMillin Communities	546
149.	Cambridge Homes	539
150.	Gentry Homes	536
151.	Century Homes Communities	532
151.	Winncrest Homes	532
153.	Coleman Homes	529
154.	Lusk Co.	524
155.	Owings & Terry Homebuilding	522
156.	Barratt American	519
157.	American West Development	516
158.	Wayne Homes	515
159.	Morris General Building Co.	514
160.	Quaker Group Builders	511
161.	Lindal Cedar Homes	509
162.	Borror Corp.	508
163.	Holiday Builders	506
164.	Town & Country Homes	502
164.	Woodside Homes	502
166.	Inco Homes*	500
167.	Richmarr Const. Corp.	480
168.	Diversified Homes	473
169.	Crosswinds Communities	470
170.	Estes Home Building Co.	458
170.	Lexington Homes	458
172.	Engle Homes	454
173.	Newmark Home Corp.	452
174.	United Bilt Homes	450
175.	Hassinger Cos./Hoffman Homes	446
176.	Taylor Woodrow Homes USA	442
177.	Deluxe Homes	440
178.	State Wide Investors	436
179.	Trafalgar House Property	434
180.	Orange Blossom Hills	430
180.	Hofmann Co.	430
182.	A-M Homes	421
183.	Di Loreto Const.	420
184.	New Fortis Corp.	418
185.	AMREP Corp.	415
186.	West Venture Development	407
187.	Casden Properties	406
188.	McBail Co.	401
189.	Tompkins Heritage Homes*	400
190.	J.M. Peters Co.	395
191.	Gibraltar Cos.	391
192.	Ivory Homes	388
193.	Artery Org.	385
194.	Pasquinelli Const. Co.	375
195.	Arvida*	370
196.	Doyle Wilson HomeBuilder	365
197.	Zale Group	362
198.	Davis Homes L.P.	360
198.	Bovis Homes	360
200.	Kathryn Thompson Dev.	357

*Editors estimate

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RANK	COMPANY	TOTAL UNITS
201.	Henry Fischer Builder	343
202.	J.E. Jones Const. Co.	342
203.	Bay Ridge Properties	340
203.	Joe Miller Homes	340
205.	Realen Homes	337
205.	Paragon Homes	337
207.	Colony Homes	334
208.	Stanley Martin Cos.	332
209.	Griffin Homes	329
209.	Westfield Homes	329
211.	Sundance Homes	325
212.	Amurcon Corp. of Virginia	315
213.	John Laing Homes	314
214.	Whittaker Contruction	312
214.	Hazel/Peterson Cos.*	312
216.	David Cutler Group	308
217.	Estridge Cos.	305
218.	Gulf Constructors	303
219.	Dunmore Homes	301
220.	Weingarten Siegel*	300
220.	Dividend Development*	300
222.	Village Homes Ltd.	293
223.	Condiotti Enterprises	291
224.	Mungo Co./Stonehedge Const.	290
225.	Cooper Communities	285
225.	Sun City Center Corp.	285
227.	Interstate General Co.	284
228.	Oberer Development	279
229.	RGC (RecreActions Group)	278
229.	Triangle Developers	278
231.	Choice Homes	276
232.	Red Seal Development	275
233.	Wynne Building Corp.	274
233.	Kennedy Group (Fla.)	274
235.	Meeker Development	272
236.	Sunland Communities	267
237.	Melody Homes	266
237.	Goldrich & Kest	266
239.	James Lewis Corp.*	265
240.	John Cooley Co.	259
241.	Covington Development*	256
242.	Williamsburg Properties	254
243.	Homes by Dave Brown	252
244.	Goodman Homes	251
245.	McBride & Son	250
246.	Zaring Homes	248
247.	Drake Homes	245
248.	McStain Enterprises	240
248.	Hammonds Homes	240
250.	G.L. Homes of Florida	237
251.	Heritage Cos.	235
252.	Legacy Homes	232
253.	Larwin Const.	231
253.	Grupe Co.	231
255.	Pembroke Enterprises	228
256.	Prometheus Development*	228
257.	Neal Buskirk & Adams	227
258.	Dobson Builders	226
259.	Premier Group	225
260.	Buie Corp.	223
261.	Sun State Homes	220
261.	Sam Rodgers Enterprises	220
263.	Scott Felder Homes	217
264.	Mayer Homes	215
264.	John Mourier Const.	215
266.	Frank Robino & Associates	212
266.	Hal Porter Homes	212
268.	RWS Development	210
258.	Wiseman-Hughes Enterprises	210
270.	Don Galloway Homes	206
270.	Panitz Homes	206
272.	Parker Lancaster Corp.	204
273.	Elam G. Stoltzfus	203
273.	Grant Cos.	203
275.	Stok Homes	202
276.	Ryder Homes	201
276.	John B. Canuso	201
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356.	Fairfield Communities*	100
356.	R.B. McComic	100
356.	Enterprise Development	100
359.	Calprop Corp.	97
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386.	Home By Hemphill	75
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388.	Pennhill Co.	68
388.	JCC Development*	68
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391.	Joe Keim Builders	63
392.	Wooldbridge Org.	61
393.	Broadmoor Homes	59
394.	Garden State Land Co.	55
395.	Frankel Enterprises	41
396.	Michael T. Rose	38
397.	Owen Const.	25
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399.	Ferruggia Associates	23
400.	Parade Home Builders	20

*Editors estimate

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Centex Maintains Its Hold On No. 1 Ranking

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
1	$2,119,180	**Centex Corp.** 3333 Lee Parkway Dallas, TX 75219	Key Exec: Laurence E. Hirsch. Sold 7214 SFD houses for $969,971,000. Sold 248 attached houses for $30,868,000. Non-res: $903,021,000. Other income: $215,320,000. Subsidiaries: Centex Real Estate; Centex General Construction; Centex Development Co.
2	$1,220,995	**Kaufman and Broad** 10877 Wilshire Blvd. Los Angeles, CA 90024	Key Exec: Bruce Karatz. Sold 3676 SFD houses for $677,240,700. Sold 780 attached houses for $121,862,300. Non-res: $354,236,000. Land sales: $23,047,000. Other income: $44,609,000. SFD product averages 1600 sq. ft. Attached product averages 1200 sq. ft.
3	$1,214,295	**Ryland Group Inc.** 10221 Wincopin Circle Columbia, MD 21044	Key Exec: Roger Schipke. Sold 6594 single-family-detached, attached, and various modular and panelized houses for total volume of $1,214,295,000. Subsidiaries: Ryland Homes; Ryland Building Systems; M.J. Brock. Last year, company ranked #5.
4	$887,106	**PHM Corp. (Pulte)** 33 Bloomfield Parkway, #200 Bloomfield Hills, MI 48013	Key Exec: William Pulte. Sold 5441 single-family-detached houses for $723,653,000. Sold 1245 attached houses for $163,453,000. Last year, this company ranked #9.
5	$818,871	**NVR L.P.** 7601 Lewinsville Rd., Suite 300 McLean, VA 22102	Key Exec: Dwight C. Schar. Sold 3831 single-family-detached houses for $648,400,000. Other income: $170,471,000. Subsidiaries: NV Homes; Ryan Homes; Cross Builders/Goodman Homes. Last year, company ranked #7.
6	$772,290	**William Lyon Co.** 4490 Von Karman Newport Beach, CA 92658	Key Exec: William Lyon. Sold 1603 SFD houses for $439,468,000. Sold 488 attached houses for $81,249,000. Built 1770 apartments for $194,700,000. Rents & fees: $7,695,000. Land sales: $22,328,000. Other income: $26,850,000. SFD product averages 2350 sq. ft.
7	$743,700	**Weyerhaeuser Real Estate Co.** Building WRE-2 Tacoma, WA 98477	Key Exec: C. Stephen Lewis. Sold 3291 SFD houses for $505,000,000. Sold 650 attached houses for $85,000,000. Built 317 apartments for $15,900,000. Non-res: $30,400,000. Rents & fees: $18,900,000. Land sales: $58,200,000. Other income: $30,300,000.
8	$574,000	**Fleetwood Enterprises** P.O. Box 7638 Riverside, CA 92523	Key Exec: Glenn F. Kummer. Sold 35,400 mobile homes for a total volume of $574,000,000. Last year, this company ranked #12.
9	$538,818	**M/I Schottenstein Inc.** 41 S. High, #2410 Columbus, OH 43215	Key Exec: Irving E. Schottenstein. Sold 1956 single-family-detached houses for $263,839,000. Rents & fees: $2,687,000. Land sales: $2,883,000. Other income: $269,409,000. Last year, company ranked #32.
10	$507,387	**Lewis Homes Group of Cos.** P.O. Box 670 Upland, CA 91785	Key Exec: Ralph M. Lewis. Sold 2448 SFD houses for $364,069,320. Sold 115 attached houses for $18,797,022. Built 229 apartments for $17,856,000. Non-res: $45,910,000. Rents & fees: $45,114,575. Land sales: $11,561,828. Other income: $4,078,198. SFD averages 1650 sq. ft.
11	$485,346	**U.S. Home Corp.** 1800 W. Loop South Houston, TX 77252	Key Exec: Robert J. Strudler. Sold 3393 single-family-detached houses for $394,695,371. Sold 582 attached houses for $74,604,848. Rents & fees: $1,104,434. Land sales: $9,258,000. Other income: $5,683,027. Last year, company ranked #10.
12	$483,364	**Pacific Properties** 1095 E. Twain, Second Floor Las Vegas, NV 89109	Key Exec: Steven Molasky. Sold 310 single-family-detached houses for $34,164,000. Sold 45 attached houses for $3,900,000. Built 722 apartments for $433,600,000. Rents & fees: $11,200,000. Other income: $500,000. Single-family-detached product averages 1800 sq. ft.
13	$457,880	**Shapell Industries** 8383 Wilshire Blvd., Suite 700 Beverly Hills, CA 90211	Key Exec: Nathan Shapell. Sold 704 single-family-detached houses for $279,000,000. Rents & fees: $55,880,000. Land sales: $22,300,000. Other income: $100,700,000. Last year, company ranked #14.
14	$365,378	**UDC-Universal Development LP** 4812 S. Mill Ave. Tempe, AZ 85282	Key Exec: Gary A. Rosenberg. Sold 1717 single-family-detached houses for $282,696,278. Sold 322 attached houses for $53,638,299. Other income: $29,043,423. SFD product averages 2800 sq. ft. Attached product averages 2800 sq. ft. Last year, company ranked #20.
15	$346,718	**Lennar Corp.** 700 N.W. 107th Ave. Miami, FL 33172	Key Exec: Leonard Miller. Sold 1522 SFD houses for $161,063,000. Sold 958 attached houses for $77,268,000. Non-res: $1,719,000. Rents & fees: $21,166,000. Land sales: $8,879,000. Other income: $76,623,000. SFD product averages 1900 sq. ft. Attached product averages 1300 sq. ft.
16	$331,300	**Fieldstone Co.** 14 Corporate Plaza Newport Beach, CA 92660	Key Exec: Peter M. Ochs. Sold 1128 single-family-detached houses for $303,839,000. Sold 134 attached houses for $20,900,000. Other income: $6,561,000. Last year, company ranked #21.
17	$324,153	**Hovnanian Enterprises Inc.** 10 Highway 35 Red Bank, NJ 07701	Key Exec: Kevork S. Hovnanian. Sold 778 SFD houses for $115,458,000. Sold 1605 attached houses for $176,296,000. Non-res: $4,000,000. Rents & fees: $8,389,000. Land sales: $3,220,000. Other income: $16,790,000. SFD product averages 2000 sq. ft.
18	$323,100	**Watt Industries Inc.** 2716 Ocean Park Blvd. Santa Monica, CA 90406	Key Exec: Raymond A. Watt. Sold 840 SFD houses for $153,900,000. Sold 130 attached houses for $67,700,000. Non-res: $7,000,000. Rents & fees: $52,900,000. Land sales: $17,500,000. Other income: $24,100,000. SFD product averages 2250 sq. ft.
19	$319,973	**Goldrich & Kest Industries** 5150 Overland Avenue Culver City, CA 90231	Key Exec: Jona Goldrich. Sold 35 SFD houses for $32,498,900. Sold 33 attached houses for $20,201,275. Built 198 apartments for $97,842,000. Non-res: $7,369,400. Rents & fees: $160,723,600. Land sales: $1,338,000. Subsidiaries: Prestige Homes.
20	$319,097	**Coscan Development Corp.** P.O. Box 763 Toronto, Ontario M5J 2	Key Exec: L. Ross Cullingworth. Sold 798 SFD houses for $193,330,000. Sold 604 attached houses for $125,767,000. SFD product averages 2200 sq. ft. Attached product averages 1800 sq. ft. Subsidiaries: Coscan Waterways; Coscan Washington; Coscan Florida.
21	$316,229	**M.D.C. Holdings Inc.** 3600 S. Yosemite St. Denver, CO 80237	Key Exec: Larry A. Mizel. Sold 1782 single-family-detached houses for $316,229,000. SFD product averages 2000 sq. ft. Subsidiaries: Richmond Homes. Last year, company ranked #18.
22	$316,000	**Redman Homes** 2550 Walnut Hill Lane, #200 Dallas, TX 75229	Key Exec: Robert Linton. Sold 14,527 mobile homes for $313,000,000. Sold 100 manufactured housing units (modular, panelized or precut) for $3,000,000. Subsidiaries: Redman Building Products. Last year, company ranked #24.
23	$305,461	**Skyline Corp.** P.O. Box 743 Elkhart, IN 46515	Key Exec: Arthur J. Decio. Sold 13,232 mobile homes for $242,467,000. Other income: $62,994,000. Last year, company ranked #33.
24	$299,095	**Standard Pacific L.P.** 1565 W. MacArthur Costa Mesa, CA 92626	Key Exec: Ronald R. Foell. Sold 862 single-family-detached houses for $235,157,000. Other income: $63,938,000. Last year, company ranked #17.
25	$287,352	**Shea Homes** 655 Brea Canyon Road Walnut, CA 91789	Key Exec: Roy Humphreys. Sold 623 SFD houses for $138,018,000. Sold 297 attached houses for $58,094,000. Built 424 apartments for $55,120,000. Rents & fees: $11,029,000. Land sales: $25,091,000. SFD product averages 2600 sq. ft. Attached product averages 1300 sq. ft.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Baldwin Moves Up List With $95 Million Revenue Rise

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
26	$261,300	**Lusk Co.** 17550 Gillette Ave. Irvine, CA 92713	Key Exec: John D. Lusk. Sold 417 SFD houses for $114,200,000. Sold 107 attached houses for $16,000,000. Non-res: $16,300,000. Rents & fees: $70,500,000. Land sales: $30,500,000. Other income: $13,800,000. SFD product averages 2100 sq. ft. Attached product averages 1200 sq. ft.
27	$260,000	**Warmington Homes** 3090 Pullman St., Suite A Costa Mesa, CA 92626	Key Exec: James Hogan. Sold 730 single-family-detached houses for $260,000,000. Last year, company ranked #55.
28	$258,935	**David Weekley Homes Inc.** 1300 Post Oak Blvd., #1000 Houston, TX 77056	Key Exec: David M. Weekley. Sold 1592 single-family-detached houses for $258,935,629. SFD product averages 2750 sq. ft. Subsidiaries: Custom Classics. Last year, company ranked #38.
29	$244,804	**Baldwin Co.** 16811 Hale Ave. Irvine, CA 92714	Key Exec: Alfred E. Baldwin. Sold 419 SFD houses for $94,280,746. Sold 127 attached houses for $61,473,000. Built 232 apartments for $19,250,000. Rents & fees: $1,800,000. Land sales: $18,000,000. Other income: $50,000,000. SFD product averages 2650 sq. ft.
30	$236,693	**Castle & Cooke Properties** 10900 Wilshire Blvd. Los Angeles, CA 90024	Key Exec: David Murdock. Sold 649 SFD houses for $144,008,696. Sold 128 attached houses for $28,402,304. Non-res: $12,640,000. Rents & fees: $15,108,000. Land sales: $21,253,000. Other income: $15,281,000. Parent Company: Dole Foods. Last year, company ranked #101.
31	$236,100	**Presley Cos.** 1900 Corporate Plaza Newport Beach, CA 92660	Key Exec: Wade Cable. Sold 701 single-family-detached houses for $150,600,000. Sold 145 attached houses for $22,300,000. Land sales: $63,200,000. New entrant this year to list; was formerly part of William Lyon Cos.
32	$220,598	**Del Webb Corp.** P.O. Box 29040 Phoenix, AZ 85038	Key Exec: Philip J. Dion. Sold 1660 single-family-detached houses for $220,294,000. Land sales: $304,000. SFD product averages 2100 sq. ft. Subsidiaries: Sun City West; Sun City Tucson; Sun City Las Vegas. Last year, company ranked #35.
33	$216,000	**Jim Walter Homes Inc.** 1500 N. Dale Mabry Hwy. Tampa, FL 33607	Key Exec: Robert W. Michael. Sold 5262 SFD houses for $214,000,000. Remodeling: $2,000,000. SFD product averages 1260 sq. ft. Subsidiaries: Walter Home Improvements. Last year, company ranked #43.
34	$198,764	**Anden Group** 15260 Ventura Blvd., Suite 1700 Sherman Oaks, CA 91403	Key Exec: E.S. Rosenfeld. Sold 514 SFD houses for $115,541,000. Sold 369 attached houses for $59,648,000. Land sales: $23,575,000. SFD product averages 1500 sq. ft. Attached product averages 1000 sq. ft. Last year, company ranked #16.
35	$190,904	**Champion Enterprises** 5573 E. North St. Dryden, MI 48428	Key Exec: Walter R. Young. Sold 8382 mobile homes for $177,718,000. Other income: $13,186,000. Subsidiaries: Champion Home Communities. Last year, company ranked #27.
36	$186,000	**Lexington Homes Inc.** 1156 W. Shure Drive Arlington Heights, IL 60004	Key Exec: Richard Van Schaardenburg. Sold 623 SFD houses for $108,000,000. Sold 579 attached houses for $78,000,000. SFD product averages 1900 sq. ft. Attached product averages 1700 sq. ft. Last year, company ranked #48.
37	$184,944	**J.M. Peters Co.** 3501 Jamboree Road, Suite 200 Newport Beach, CA 92658	Key Exec: James M. Peters. Sold 339 SFD houses for $126,648,000. Sold 56 attached houses for $10,521,000. Land sales: $45,501,000. Other income: $2,274,000. Subsidiaries: J.M. Peters Design Center. Last year, company ranked #39.
38	$181,935	**Toll Brothers Inc.** 3103 Philmont Ave. Huntingdon Valley, PA 19006	Key Exec: Robert I. Toll. Sold 509 SFD houses for $151,683,000. Sold 167 attached houses for $24,288,000. Other income: $5,964,000. SFD product averages 3000 sq. ft. Attached product averages 1800 sq. ft. Last year, company ranked #42.
39	$180,000	**Boston Capital Partners Inc.** 313 Congress St. Boston, MA 02210	Key Exec: John P. Manning. Built 6012 apartments for $180,000,000. Subsidiaries: Boston Capital Properties. Last year, company ranked #31.
40	$175,499	**Drees Co.** 211 Grandview Drive, #300 Covington, KY 41017	Key Exec: Ralph A. Drees. Sold 901 SFD houses for $142,565,590. Sold 225 attached houses for $24,840,265. Non-res: $2,005,089. Rents & fees: $4,263,244. Land sales: $1,824,500. SFD product averages 2180 sq. ft. Attached product averages 1450 sq. ft. Subsidiaries: First Equity.
41	$175,000	**Continental Homes Holding** 7001 N. Scottsdale Road, #2050 Scottsdale, AZ 85250	Key Exec: Donald Loback. Sold 1450 single-family-detached houses for $175,000,000. SFD product averages 2000 sq. ft. Subsidiaries: Continental Homes; KDB Homes; CHI Construction. Last year, company ranked #74.
42	$173,475	**Colson & Colson Construction** 2741 12th St. SE Salem, OR 97302	Key Exec: William E. Colson. Built 1062 apartments for $69,475,000. Rents & fees: $104,000,000. Last year, company ranked #53.
43	$173,000	**Woodcrest Development Inc.** 17911 Mitchell Ave. Irvine, CA 92714	Key Exec: Ronald J. Gilles. Sold 566 SFD houses for $150,000,000. Sold 156 attached houses for $23,000,000. SFD product averages 2350 sq. ft. Attached product averages 1350 sq. ft. Last year, company ranked #25.
44	$172,600	**Simpson Cos.** 3201 S. Tamarac Drive, #200 Denver, CO 80231	Key Exec: Harold Simpson. Built 1762 apartments for $108,800,000. Rents & fees: $63,800,000.
45	$167,567	**Clayton Homes Inc.** P.O. Box 15169 Knoxville, TN 37901	Key Exec: Jim Clayton. Sold 10,104 mobile homes for $167,567,000. Last year, company ranked #56.
46	$166,700	**Holtzman & Silverman Const.** 30833 Northwestern Hwy., #300 Farmington Hills, MI 48334	Key Exec: Gilbert Silverman/Jonathon Holtzman. Sold 147 SFD houses for $24,930,000. Sold 40 attached houses for $9,520,000. Built 525 apartments for $32,725,000. Rents & fees: $98,465,000. Land sales: $1,060,186. SFD product averages 1900 sq. ft.
47	$164,000	**Trammell Crow Residential** 2001 Ross Ave., #3500 Dallas, TX 75201	Key Exec: J. Ronald Terwilliger. Sold 316 SFD houses for $58,000,000. Built 1750 apartments for $106,000,000. Rents & fees: $794,500,000. Other income: $42,400,000. Last year, company ranked #3.
48	$162,634	**Oakwood Homes Corp.** 2225 S. Holden Road Greensboro, NC 27407	Key Exec: Nicholas J. St. George. Sold 5546 mobile homes for $125,507,000. Rents & fees: $1,295,000. Other income: $35,832,000. SFD product averages 991 sq. ft. Subsidiaries: Oakwood Mobile Homes; Homes By Oakwood; Oakwood Land Development.
49	$162,392	**Hunt Building Corp.** P.O. Box 9368 El Paso, TX 79984	Key Exec: M.L. Hunt. Sold 44 SFD houses for $1,996,796. Sold 372 attached houses for $36,856,495. Built 1718 apartments for $110,496,000. Rents & fees: $13,042,952. Last year, company ranked #152.
50	$161,112	**Schult Homes Corp.** P.O. Box 151 Middlebury, IN 46540	Key Exec: W.E. Wells. Sold 5913 mobile homes for $161,112,000. Subsidiaries: Marlette Homes. Last year, company ranked #58.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Highland Homes Climbs 100 Spots To No. 71 Ranking

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
51	$160,520	**Bramalea California Inc.** One Park Plaza, #100 Irvine, CA 92714	Key Exec: Peter B. Perrin. Sold 554 SFD houses for $146,381,000. Sold 84 attached houses for $14,139,000. SFD product averages 2000 sq. ft. Attached product averages 1500 sq. ft. Parent firm: Bramalea Ltd., Toronto. Subsidiaries: Marborough Development.
52	$160,475	**Gentry Homes** P.O. Box 295 Honolulu, HI 96809	Key Exec: Joseph J. Ramia. Sold 3 SFD houses for $850,000. Sold 533 attached houses for $90,650,000. Non-res: $11,600,000. Rents & fees: $15,600,000. Land sales: $41,575,000. SFD product averages 1200 sq. ft. Attached product averages 725 sq. ft.
53	$155,063	**Arthur Rutenberg Homes Inc.** 13922 58th St. North Clearwater, FL 34620	Key Exec: Arthur Rutenberg. Sold 761 SFD houses for $147,527,470. Sold 65 attached houses for $7,535,798. SFD product averages 2800 sq. ft. Attached product averages 1900 sq. ft. Subsidiaries: ARC-Belle Meade; Barry Rutenberg & Associates; ARC-Berkley Village.
54	$153,760	**Fairmont Homes Inc.** 502 S. Oakland St. Nappanee, IN 46550	Key Exec: Edward Ludwick. Sold 8344 mobile homes for $145,526,000. Sold 219 manufactured housing units (modular, panelized or precut) for $8,234,000.
55	$151,000	**Home Capital Dev. Group** 707 Broadway, #1600 San Diego, CA 92185	*Professional Builder & Remodeler* estimates that this firm sold 581 single-family-detached houses for $151,000,000. Key Exec: Wayne Biver. Parent firm: Home Fed S&L, San Diego. Last year, company ranked #23.
56	$150,362	**Kimball Hill Inc.** 5999 New Wilke Road Rolling Meadows, IL 60008	Key Exec: David K. Hill Jr. Sold 611 SFD houses for $107,622,500. Sold 446 attached houses for $41,527,506. Other income: $1,212,000. SFD product averages 2557 sq. ft. Attached product averages 1598 sq. ft. Last year, company ranked #73.
57	$149,568	**Perry Homes** P.O. Box 34306 Houston, TX 77234	Key Exec: Bob J. Perry. Sold 885 SFD houses for $148,600,000. Land sales: $968,000. Subsidiaries: Perry Builders. Last year, company ranked #617.
58	$148,014	**McMillin Communities** 2727 Hoover Ave. National City, CA 91950	Key Exec: Corky McMillin. Sold 297 SFD houses for $79,000,000. Built 249 apartments for $7,000,000. Remodeling: $314,406. Non-res: $1,100,000. Rents & fees: $500,000. Land sales: $5,200,000. Other income: $54,900,000. SFD product averages 2400 sq. ft.
59	$145,954	**Forecast Group** 10670 Civic Center Drive Rancho Cucamonga, CA 91730	Key Exec: James P. Previti. Sold 1003 SFD houses for $140,921,000. Rents & fees: $3,879,000. Other income: $1,154,000. SFD product averages 1375 sq. ft. Subsidiaries: Forecast Homes of Northern California. Last year, company ranked #63.
60	$145,000	**Robertson Homes** 6653 Embarcadero Stockton, CA 95219	Key Exec: Barton R. Robertson. Sold 20 single-family-detached houses for $3,000,000. Built 1176 apartments for $100,000,000. Rents & fees: $42,000,000. SFD product averages 2000 sq. ft. Last year, company ranked #62.
61	$144,942	**Ahmanson Development Inc.** 1370 S. Valley Vista Drive, #100 Diamond Bar, CA 91765	Key Exec: Kim Boutelier. Sold 508 SFD houses for $130,326,000. Sold 49 attached houses for $8,833,000. Other income: $403,000. Land sales: $5,380,000. SFD product averages 2000 sq. ft. Attached product averages 1800 sq. ft. Parent firm: Home Savings Of America.
62	$133,977	**Palm Harbor Homes Inc.** 15301 Dallas Pkwy., Suite 800 Dallas, TX 75248	Key Exec: Lee Posey. This company reports that it sold 5063 mobile homes in 1991 for $133,977,000. In last year's report, the company ranked #85.
63	$132,655	**Pacific Scene Inc.** 3900 Harney St. San Diego, CA 92110	Key Exec: Tawfiq Khoury. Sold 188 SFD houses for $45,684,000. Sold 77 attached houses for $18,734,600. Built 300 apartments for $33,000,000. Rents & fees: $32,830,900. Land sales: $2,405,000. SFD product averages 2850 sq. ft. Attached product averages 1200 sq. ft.
64	$132,012	**A-M Homes** 125 E. Victoria St. Santa Barbara, CA 93101	Key Exec: James B. Araujo. Sold 331 SFD houses for $102,627,000. Sold 90 attached houses for $17,260,000. Rents & fees: $268,000. Land sales: $1,722,000. Other income: $10,135,000. SFD product averages 2600 sq. ft. Attached product averages 1700 sq. ft.
65	$130,270	**Hofmann Co.** P.O. Box 907 Concord, CA 94522	Key Exec: K.H. Hofmann. Sold 430 SFD houses for $80,195,000. Non-res: $3,500,000. Rents & fees: $22,500,000. Land sales: $8,500,000. Other income: $15,574,900. SFD product averages 1971 sq. ft. Subsidiaries: Computech Lumber. Last year, company ranked #54.
66	$125,000	**Forest City Enterprises** 10800 Brookpark Road Cleveland, OH 44130	Key Exec: Albert B. Ratner. Built 780 apartments for $75,000,000. High-rise residential: $50,000,000. Subsidiaries: Forest City Residential Development; Forest City Properties; Sunrise Land. Last year, company ranked #154.
67	$124,088	**D.R. Horton Inc.** 2221 E. Lamar Blvd., Suite 950 Arlington, TX 76006	Key Exec: Don R. Horton. This company reports that in 1991 it sold 899 single-family-detached houses for $124,088,000. Horton's single-family-detached product averages 2200 sq. ft.
68	$122,920	**Village Builders** P.O. Box 2567 Houston, TX 77001	Key Exec: Robert Bradley. Sold 740 SFD houses for $122,920,000. SFD product averages 3000 sq. ft. Parent firm: Exxon Co. USA. Subsidiaries: Period Classic. Last year, company ranked #70.
69	$119,500	**GBW Properties** 520 S. Lafayette Park Place Los Angeles, CA 90057	Key Exec: Jay H. Wilton. Built 1555 apartments for $117,000,000. Rents & fees: $2,500,000. Subsidiaries: Tri-Con Builders. Last year, company ranked #104.
70	$119,319	**Morris General Building Co.** P.O. Box 3632 Chatsworth, CA 91313	Key Exec: G.L. Morris. Sold 4 SFD houses for $10,000,000. Sold 160 attached houses for $26,400,000. Built 350 apartments for $57,750,000. Remodeling: $7,800,000. Non-res: $7,861,000. High-rise residential: $9,180,000. Rents & fees: $328,000.
71	$119,234	**Highland Homes** 12880 Hillcrest, #202 Dallas, TX 75230	Key Exec: Rodger Sanders. Sold 997 single-family-detached houses for $119,233,846. SFD product averages 2500 sq. ft. Subsidiaries: R. Sanders & Associates. Last year, company ranked #171.
72	$119,119	**Barratt American Inc.** 30 Fairbanks, Suite 110 Irvine, CA 92718	Key Exec: Micheal Pattinson. Sold 290 SFD houses for $75,748,629. Sold 229 attached houses for $42,000,000. Rents & fees: $330,725. Land sales: $1,039,955. SFD product averages 2574 sq. ft. Attached product averages 1521 sq. ft. Parent firm: Barratt Dev. PLC, U.K.
73	$116,000	**Taylor Woodrow Homes USA** 3991 McArthur Blvd. Newport Beach, CA 92660	Key Exec: Gordon Tippell. Sold 307 SFD houses for $78,471,000. Sold 135 attached houses for $34,529,000. Land sales: $3,000,000. Parent firm: Taylor Woodrow PLC, London. Subsidiaries in California, Florida and Nevada. Last year, this company ranked #109.
74	$115,971	**Robson Communities** 25612 E.J. Robson Blvd. Sun Lakes, AZ 85248	Key Exec: E.J. Robson. Sold 949 SFD houses for $105,426,480. Rents & fees: $360,000. Other income: $3,360,000. Land sales: $6,825,000. SFD product averages 1890 sq. ft. Subsidiaries: Sun Lakes Marketing; SaddleBrooke Development; SBG Development.
75	$115,805	**Landstar Homes** 510 Elkwood Court Kissimmee, FL 34743	Key Exec: Rodolfo Stern. Sold 934 SFD houses for $100,405,000. Sold 220 attached houses for $15,400,000. SFD product averages 1825 sq. ft. Attached product averages 1182 sq. ft. Subsidiaries: Real Estate Corp. of Florida; Community Dev. of Orange County.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Harkins Builds 1282 Rental Units In 1991

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
76	$112,714	**Stanley Martin Cos.** 8000 Towers Crescent Drive Vienna Spring, VA 22182	Key Exec: Martin K. Alloy. Sold 186 SFD houses for $61,723,000. Sold 146 attached houses for $28,223,000. Non-res: $1,300,000. Rents & fees: $10,331,000. Land sales: $6,415,000. Other income: $4,722,000. SFD product averages 2800 sq. ft. Subsidiaries: Heritage Mortgage
77	$111,000	**Van Daele Development** 2900 Adams St., Suite C25 Riverside, CA 92504	Key Exec: Michael Van Daele. Sold 540 SFD houses for $80,000,000. Built 300 apartments for $18,000,000. Non-res: $2,000,000. Land sales: $11,000,000. SFD product averages 1600 sq. ft. Last year, company ranked #122
78	$110,000	**Calton Inc.** 500 Craig Road Freehold, NJ 07728	Key Exec: Anthony J. Caldarone. Sold 535 SFD houses for $99,000,000. Sold 200 attached houses for $11,000,000. SFD product averages 2400 sq. ft. Attached product averages 1600 sq. ft. Subsidiaries in New Jersey, Pennsylvania and Florida. Last year, company ranked #46
79	$109,321	**Harkins Builders Inc.** 12301 Old Columbia Pike Silver Spring, MD 20904	Key Exec: Thomas P. Harkins. Sold one SFD house for $361,881. Sold 27 attached houses for $3,102,936. Built 1282 apartments for $93,704,086. Remodeling: $580,000. Non-res: $11,572,000. Subsidiaries: Harkins Commercial, Harkins Carpentry. Last year, ranked #51
80	$107,002	**George Wimpey Inc.** 3565 Seventh Ave. San Diego, CA 92103	Key Exec: David Heppell. Sold 585 SFD houses for $95,378,000. Non-res: $264,000. Rents & fees: $300,000. Land sales: $11,060,000. Parent firm: George Wimpey PLC, London. Subsidiaries: Morrison Homes; G.W. Florida, Monarch Homes. Last year, company ranked #89
81	$104,429	**Summit Properties** 212 S. Tryon St., #500 Charlotte, NC 28281	Key Exec: William F. Paulsen. In 1991, this company built 1018 apartments for $61,700,000. Rents & fees: $42,729,265. Last year, this company ranked #34
82	$104,097	**Cambridge Homes Inc.** 800 S. Milwaukee Ave. Libertyville, IL 60048	Key Exec: Richard J. Brown. Sold 273 SFD houses for $54,530,608. Sold 266 attached houses for $36,971,195. Rents & fees: $7,769,537. Land sales: $2,849,000. Other income: $1,976,632. SFD product averages 2325 sq. ft. Attached product averages 1550 sq. ft.
83	$103,997	**John Wieland Homes** P.O. Box 87363 Atlanta, GA 30337	Key Exec: John Wieland. Sold 603 single-family-detached houses for $103,997,000. Last year, company ranked #144
84	$103,000	**Horton Homes Inc.** P.O. Box 4410 Eatonton, GA 31024	Key Exec: N.D. Horton Jr. Sold 6900 mobile homes for $89,000,000. Sold 500 manufactured housing units (modular, panelized or precut) for $14,000,000. Last year, company ranked #116
85	$102,590	**Beazer Properties Inc.** 945 E. Paces Ferry Road Atlanta, GA 30326	Key Exec: Ian McCarthy. Sold 954 single-family-detached houses and built 153 apartments for $102,590,000. Parent firm: Hanson Industries, Iselin, N.J. Subsidiaries: Cohn Communities, Phillips Builders, Squires Homes. Last year, company ranked #97
86	$97,203	**Washington Homes Inc.** 1802 Bright Seat Road Landover, MD 20785	Key Exec: Geaton A. DeCesaris Jr. Sold 304 single-family-detached houses for $52,408,304. Sold 388 attached houses for $42,594,435. Land sales: $2,200,000. Last year, company ranked #119
87	$96,811	**Lincoln Property Co.** 500 N. Akard Dallas, TX 75201	Key Exec: A. Mack Pogue. In 1991, this company built 1027 apartments for $96,811,000. Non-res income: $43,535,000. Rents & fees: $687,448,000. Land sales: $1,830,000. Other income: $762,057,000
88	$95,900	**Elliott Homes Inc.** 160 Blue Ravine Drive, Suite A Folsom, CA 95630	Key Exec: Harry C. Elliott III. In 1991, this company sold 452 single-family-detached houses for $74,900,000, and built 328 apartments for $21,000,000. Last year, the company ranked #40
89	$94,700	**Schuler Homes** 1001 Bishop St. Honolulu, HI 96813	Key Exec: James K. Schuler. Sold 110 SFD houses for $22,500,000. Sold 450 attached houses for $53,500,000. Built 64 apartments for $5,200,000. Rents & fees: $2,500,000. Land sales: $9,000,000. Other income: $2,000,000. Subsidiaries: JPS Hawaii, Port Quendall
90	$94,500	**Griffin Homes** 24005 Ventura Blvd. Calabasas, CA 91302	Key Exec: Paul E. Griffin Jr. Sold 253 SFD houses for $58,183,000. Sold 76 attached houses for $8,757,000. Rents & fees: $400,000. Land sales: $27,160,000. SFD product averages 2315 sq. ft. Last year, company ranked #44
91	$93,500	**Hassinger Cos.** 300 Park Blvd., #515 Itasca, IL 60143	Key Exec: Norman M. Hassinger Jr. Sold 311 SFD houses for $69,200,000. Sold 135 attached houses for $22,300,000. Other income: $2,000,000. SFD product averages 2600 sq. ft. Attached product averages 1600 sq. ft. Subsidiaries: Hoffman Homes; Richland Development.
92	$92,060	**Cooper Communities Inc.** 210 Town Center S.E. Bella Vista, AR 72714	Key Exec: Larry B. Cooper. Sold 265 SFD houses for $34,486,000. Sold 20 attached houses for $3,100,000. Rents & fees: $1,407,000. Other income: $22,884,000. Land sales: $30,183,000. SFD product averages 1950 sq. ft. Attached product averages 2150 sq. ft. Last year, ranked #290.
93	$91,569	**Winncrest Homes** 9985 Folsom Blvd. Sacramento, CA 95827	Key Exec: Thomas P. Winn. Sold 532 single-family-detached houses for $90,356,446. Land sales: $443,557. Other income: $769,311. Subsidiaries: River City Sales, River City Escrow. Last year, company ranked #88
94	$91,243	**Rayco Inc.** 4800 Fredericksburg Road San Antonio, TX 78229	Key Exec: Jack H. Willome. In 1991, this company sold 1114 single-family-detached houses for $91,243,000. SFD product averages 2400 sq. ft. In last year's report, this company ranked #188
95	$90,885	**Meeker Development Co.** 3187-A Airway Ave. Costa Mesa, CA 92626	Key Exec: George R. Meeker Jr. Sold 272 single-family-detached houses for $75,980,000. Land sales: $14,905,000. SFD product averages 2301 sq. ft. Last year, company ranked #57
96	$90,700	**Lycon Group** 15303 Ventura, Suite 1000 Sherman Oaks, CA 91403	*Professional Builder & Remodeler* estimates that this firm sold 214 single-family-detached houses for $42,800,000, and built 354 apartments for $47,900,000. Key Exec: Dale & Robert Francescon. Last year, the company ranked #81
97	$90,677	**Trafalgar House Property** 300 Phillips Blvd. Trenton, NJ 08618	Key Exec: W.J.B. Davies. Sold 170 SFD houses for $49,310,000. Sold 264 attached houses for $37,325,000. Non-res: $1,163,000. Rents & fees: $2,582,000. Other income: $11,000. Land sales: $286,000. SFD product averages 2800 sq. ft. Attached product averages 1600 sq. ft.
98	$90,000	**Town & Country Homes** 1603 W. 16th St. Oak Brook, IL 60521	Key Exec: William G. Ryan. Sold 384 SFD houses for $73,240,000. Sold 118 attached houses for $16,760,000. SFD product averages 1800 sq. ft. Attached product averages 1400 sq. ft. Last year, company ranked #112
99	$89,956	**Wausau Homes Inc.** P.O. Box 8005 Wausau, WI 54402	Key Exec: Marvin C. Schuette. Sold 3194 manufactured housing units (modular, panelized or precut) for $89,956,000. Subsidiaries: Advance Building Systems. Last year, company ranked #130
100	$89,291	**American West Development** 2700 E. Sunset Road, Suite 5 Las Vegas, NV 89120	Key Exec: Lawrence D. Canarelli. Sold 516 single-family-detached houses for $80,450,000. Land sales: $8,841,000. SFD product averages 2688 sq. ft. Last year, company ranked #113

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Nanticoke Handles Both Manufactured And Stick-Built

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
101	$87,298	**Holly Corp.** 101 E. 26th St., Suite 301 Tacoma, WA 98421	Key Exec: Daniel M. Kelley. Sold six SFD houses for $590,250. Built 1146 apartments for $83,292,250. Rents & fees: $2,282,486. Land sales: $363,000. Other income: $770,473. SFD product averages 1665 sq. ft. Last year, company ranked #153.
102	$87,064	**Wallick Construction** P.O. Box 1023 Columbus, OH 43216	Key Exec: Jack L. Wallick. Sold 82 SFD houses for $10,500,000. Sold 64 attached houses for $4,100,000. Built 611 apartments for $23,521,527. Remodeling: $1,124,170. Rents & fees: $47,818,800. Subsidiaries: Gemstar Homes; Wallick Properties. Last year, ranked #281.
103	$86,000	**Commodore Corp.** P.O. Box 577 Goshen, IN 46526	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 4000 mobile homes for $86,000,000. Key Exec: Barry Shein. Subsidiaries in Pennsylvania, Virginia and Indiana. Last year, company ranked #100.
104	$85,925	**Orleans Cos.** 2507 Philmont Ave. Huntingdon Valley, PA 19006	Key Exec: Jeffrey P. Orleans. Sold 153 SFD houses for $33,824,000. Sold 406 attached houses for $44,108,000. Built 61 apartments for $6,318,000. Land sales: $1,675,000. SFD product averages 2400 sq. ft. Attached product averages 1600 sq. ft.
105	$84,000	**Nanticoke Homes** P.O. Box F Greenwood, DE 19950	Key Exec: John Mervine Sr. Sold 520 SFD houses for $37,000,000. Sold 100 attached houses for $5,000,000. Sold 620 manufactured housing units (modular, panelized or precut) for $42,000,000. SFD product averages 1500 sq. ft. Attached product averages 1300 sq. ft.
106	$83,761	**Oriole Homes Corp.** 1690 S. Congress Ave. Delray Beach, FL 33445	Key Exec: Richard D. Levy. Sold 140 SFD houses for $22,621,447. Sold 474 attached houses for $47,479,551. Land sales: $2,447,434. Other income: $11,212,751. SFD product averages 2000 sq. ft. Last year, company ranked #120.
107	$82,900	**Zale Group** 100 Lexington Drive Buffalo Grove, IL 60089	Key Exec: Gregg Zale. Sold 301 single-family-detached houses for $51,800,000. Sold 61 attached houses for $14,100,000. Non-res: $15,000,000. Rents & fees: $2,000,000. Last year, company ranked #135.
108	$82,269	**Newmark Home Corp.** 10435 Greenbough, Suite 101 Stafford, TX 77477	Key Exec: John E. Harris. Sold 452 SFD houses for $82,269,416. Single-family-detached product averages 3200 sq. ft. Subsidiaries: Harris Estate Homes. Last year, company ranked #183.
109	$81,619	**McBail Co.** 3200 Danville Blvd., Suite 200 Alamo, CA 94507	Key Exec: Wesley Bailey & E.J. McGah. Sold 364 SFD houses for $71,027,000. Sold 37 attached houses for $3,722,000. Rents & fees: $1,568,000. Land sales: $4,234,000. Other income: $1,068,000. SFD product averages 1800 sq. ft. Attached product averages 800 sq. ft.
110	$81,477	**Borror Corp.** 5501 Frantz Road Dublin, OH 43017	Key Exec: Douglas G. Borror. Sold 493 SFD houses for $61,471,000. Sold 15 attached houses for $1,952,000. Rents & fees: $6,075,000. Land sales: $1,192,000. Other income: $10,787,000. SFD product averages 1800 sq. ft. Attached product averages 2000 sq. ft.
111	$81,276	**Van Metre Cos.** 5252 Lyngate Court Burke, VA 22015	Key Exec: Richard Rabil. Sold 94 SFD houses for $31,973,333. Sold 70 attached houses for $10,939,677. Rents & fees: $25,600,000. Land sales: $12,763,531. SFD product averages 2900 sq. ft. Attached product averages 1600 sq. ft. Last year, company ranked #128.
112	$81,079	**Signature Homes (Nevada)** 801 S. Rancho Drive, #E-4 Las Vegas, NV 89106	Key Exec: Richard Plaster. Sold 517 single-family-detached houses for $74,213,458. Sold 116 attached houses for $6,652,564. Rents & fees: $212,828. Last year, company ranked #131.
113	$80,000	**D.G. Associates** 10769 Woodside Ave., #201 Santee, CA 92071	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 762 single-family-detached houses for $80,000,000. Key Exec: Art Thompson. Last year, company ranked #61.
114	$78,380	**Coleman Homes** P.O. Box 9336 Bakersfield, CA 93389	Key Exec: Thomas Coleman. Sold 529 single-family-detached houses for $78,140,000. Rents & fees: $240,000. Single-family-detached product averages 1850 sq. ft. Last year, company ranked #82.
115	$78,201	**Engle Homes** 123 NW 13th St., Suite 300 Boca Raton, FL 33432	Key Exec: Alec Engelstein. Sold 396 SFD houses for $60,981,862. Sold 58 attached houses for $6,222,100. Rents & fees: $3,620,987. Land sales: $7,375,919. SFD product averages 2000 sq. ft. Last year, company ranked #158.
116	$77,604	**Sunrise Co.** 42-600 Cook St., #200 Palm Desert, CA 92260	Key Exec: William Bone. Sold 21 SFD houses for $7,648,000. Sold 176 attached houses for $42,689,000. Other income: $27,267,000. SFD product averages 3000 sq. ft. Attached product averages 2000 sq. ft. Last year, company ranked #45.
117	$77,310	**Realen Homes** 1235 Westlake Drive, Suite 350 Berwyn, PA 19312	Key Exec: W. Joseph Duckworth. Sold 159 SFD houses for $40,584,529. Sold 178 attached houses for $28,087,270. Remodeling: $233,019. Rents & fees: $5,307,813. Land sales: $3,097,500. SFD product averages 2750 sq. ft. Attached product averages 1850 sq. ft.
118	$76,573	**Lowder Construction Co.** 2000 Interstate Park Drive Montgomery, AL 36142	Key Exec: James K. Lowder. Sold 166 SFD houses for $16,141,000. Built 812 apartments for $28,800,000. Remodeling: $1,663,000. Non-res: $21,411,000. Rents & fees: $6,568,000. Land sales: $1,990,000. SFD product averages 1700 sq. ft. Parent firm: Colonial Co.
119	$76,354	**Century Homes Communities** 1535 S. D St., #200 San Bernardino, CA 92408	Key Exec: John Pavelak. Sold 532 SFD houses for $69,790,268. Land sales: $6,563,909. SFD product averages 1400 sq. ft. Subsidiaries: Century West Mortgage, Centrust Insurance, Lifestyle Homes. Last year, company ranked #126.
120	$75,776	**David Cutler Group** 1 Valley Square, 512 Twp. Line Blue Bell, PA 19422	Key Exec: David Cutler. Sold 183 SFD houses for $51,965,229. Sold 86 attached houses for $13,550,590. Built 39 apartments for $6,435,000. Non-res: $1,675,000. Land sales: $2,150,000. SFD product averages 3300 sq. ft. Attached product averages 2200 sq. ft.
121	$75,200	**Lexington Homes** 7700 College Town Drive, #118 Sacramento, CA 95826	Key Exec: Sotiris K. Kolokotronis. Sold 134 SFD houses for $27,550,000. Built 324 apartments for $26,000,000. Rents & fees: $3,800,000. Land sales: $17,850,000. SFD product averages 1900 sq. ft. Last year, company ranked #92.
122	$74,935	**Paragon Group** 7557 Rambler Road, #1200 Dallas, TX 75231	Key Exec: W.R. Cooper. Sold 43 SFD houses for $8,433,000. Built 1698 apartments for $66,502,000. Remodeling: $1,080,000. Non-res: $79,639,000. Rents & fees: $452,065,000. Land sales: $6,000,000. Other income: $40,000,000. SFD product averages 2200 sq. ft.
123	$74,139	**Quaker Group Builders** 593 Bethlehem Pike Montgomeryville, PA 18836	Key Exec: Streeper Karr III. Sold 302 SFD houses for $51,232,261. Built 209 apartments for $10,200,000. Non-res: $9,400,000. Rents & fees: $3,306,423. SFD product averages 2000 sq. ft. Attached product averages 800 sq. ft. Subsidiaries: Quaker Construction Management.
124	$74,050	**Golden West Homes** 1308 Wakeham Santa Ana, CA 92705	Key Exec: Harry Karsten Jr. Sold 2380 mobile homes for $74,050,000. Last year, company ranked #124.
125	$73,522	**Akins Development Co.** 5 Park Plaza, Suite 400 Irvine, CA 92714	Key Exec: Bruce Akins. Sold 61 SFD houses for $22,613,000. Sold 99 attached houses for $18,053,000. Built 442 apartments for $29,756,000. Rents & fees: $2,900,000. Other income: $200,000. SFD product averages 2750 sq. ft. Attached product averages 1400 sq. ft.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Jones, Woodside & Flournoy Add Remodeling Revenues

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
126	$72,645	**Levitt Corp.** 7777 Glades Road, #410 Boca Raton, FL 33434	Key Exec: Elliott M. Wiener. Sold 347 SFD houses for $50,880,000. Sold 216 attached houses for $18,016,000. Built 224 apartments. Other income: $3,749,000. SFD product averages 1750 sq. ft. Attached product averages 1225 sq. ft. Parent firm: Starrett Housing Corp.
127	$72,208	**Wick Building Systems** 404 Walter Road Mazomanie, WI 53560	Key Exec: John Wick. Sold 1821 mobile homes for $43,875,000. Sold 184 manufactured housing units (modular, panelized or precut) for $10,098,000. Non-res: $18,235,000. Last year, company ranked #203.
128	$71,851	**Pasquinelli Construction Co.** P.O. Box 1639 Homewood, IL 60430	Key Exec: Bruno A. Pasquinelli. Sold 186 SFD houses for $32,480,619. Sold 189 attached houses for $20,511,981. Remodeling: $162,000. Non-res: $5,126,240. Rents & fees: $218,260. Land sales: $13,053,727. Other income: $298,400. SFD product averages 1680 sq. ft.
129	$71,574	**Falcon Development Corp.** 2290 S. Jones Blvd., #110 Las Vegas, NV 59102	Key Exec: Mark Doppe. Sold 416 SFD houses for $47,840,000. Sold 124 attached houses for $9,300,000. Built 136 apartments for $14,400,000. Rents & fees: $33,682. SFD product averages 1795 sq. ft. Attached product averages 1063 sq. ft. Subsidiaries: Falcon Engineering.
130	$70,339	**DiVosta & Co.** 4500 PGA Blvd., Suite 400 Palm Beach Garden, FL 33418	Key Exec: Otto B. DiVosta. Sold 198 SFD houses for $29,706,000. Sold 438 attached houses for $36,890,000. Non-res: $307,445. Rents & fees: $3,435,412. SFD product averages 1900 sq. ft. Attached product averages 1250 sq. ft. Last year, company ranked #103.
131	$70,163	**Kathryn Thompson Dev.** 85 Argonaut Aliso Viejo, CA 92656	Key Exec: Kathryn G. Thompson. Sold 108 single-family-detached houses for $29,271,300. Sold 249 attached houses for $40,892,000. SFD product averages 1957 sq. ft. Subsidiaries: Gore Development. Last year, company ranked #145.
132	$70,000	**Casden Properties** 9090 Wilshire Blvd. Beverly Hills, CA 90211	Key Exec: Alan I. Casden. Sold 33 SFD houses for $11,000,000. Sold 94 attached houses for $15,000,000. Built 279 apartments for $44,000,000. Land sales: $225,000,000. Last year, company ranked #11.
133	$69,935	**J.E. Jones Const. Co.** 13100 Manchester Road St. Louis, MO 63131	Key Exec: Robert E. Jones. Sold 317 SFD houses for $47,658,777. Sold 25 attached houses for $2,696,000. Remodeling: $89,713. Rents & fees: $5,354,556. Land sales: $3,874,750. Other income: $10,260,719. SFD product averages 2275 sq. ft. Subsidiaries: Community Investment.
134	$67,621	**Cavalier Homes** 600 M Bank Bldg. Wichita Falls, TX 76307	Key Exec: Barry Donnell. Sold 4234 mobile homes for $67,621,499. Subsidiaries: Mansion Homes; Buccaneer Homes; Brigadier of North Carolina. Last year, company ranked #175.
135	$67,100	**West Venture Development Co.** 6345 Balboa Blvd., Suite 225 Encino, CA 91316	Key Exec: James Sorenson. Sold 407 single-family-detached houses for $54,400,000. Non-res: $8,800,000. Rents & fees: $3,900,000. SFD product averages 1400 sq. ft. Parent firm: Walter Lawrence PLC. Last year, company ranked #117.
136	$66,698	**Homes of Merit** P.O. Box 1606 Bartow, FL 33830	Key Exec: Charles E. Weeder. Sold 3860 mobile homes for $66,697,515. Last year, company ranked #195.
137	$66,549	**Western National Properties** 630 The City Drive, #200 Orange, CA 92668	Key Exec: Michael K Hayde. Sold six single-family-detached houses for $2,849,350. Built 634 apartments for $63,700,000. Last year, company ranked #123.
138	$66,248	**Embrey Associates** 750 E. Mulberry St., Suite 500 San Antonio, TX 78212	Key Exec: Walter Embrey. Built 812 apartments for $46,060,000. Rents & fees: $18,368,000. Land sales: $1,820,000. Last year, company ranked #138.
139	$66,000	**Inco Homes** P.O. Box 970 Upland, CA 91785	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 500 single-family-detached houses for $66,000,000. Key Exec: Ira Norris. SFD product averages 1675 sq. ft. Subsidiaries: Freedom Mortgage. Last year, company ranked #222.
140	$65,465	**The Gables Development Co.** 6820 Elm St. McLean, VA 22101	Key Exec: Eric Johnson. Sold 20 attached houses for $1,935,431. Sold 590 mobile homes for $43,643,500. Remodeling: $3,033,950. Non-res: $820,000. Rents & fees: $817,154. Other income: $15,214,504.
141	$65,128	**Woodside Homes** 2275 Renaissance Drive, C&D Las Vegas, NV 89119	Key Exec: Ezra Nilson. Sold 502 SFD houses for $56,180,566. Remodeling: $8,947,351. Single-family-detached product averages 1750 sq. ft. Last year, company ranked #344.
142	$64,388	**Davidson Communities** 12520 High Bluff Drive San Diego, CA 92130	Key Exec: William A. Davidson. Sold 158 SFD houses for $45,960,000. Sold 20 attached houses for $9,228,000. Non-res: $9,000,000. Rents & fees: $200,000. SFD product averages 2737 sq. ft. Attached product averages 2744 sq. ft. Last year, company ranked #310.
143	$64,366	**Condiotti Enterprises** P.O. Box 6855 Santa Rosa, CA 95406	Key Exec: A. Condiotti. Sold 249 SFD houses for $50,000,000. Sold 42 attached houses for $6,300,000. Rents & fees: $8,066,000. SFD product averages 1600 sq. ft. Attached product averages 1300 sq. ft. Last year, company ranked #80.
144	$64,000	**Dunmore Homes** 2150 Professional Drive Roseville, CA 95661	Key Exec: Sidney B. Dunmore. Sold 301 SFD houses for $46,000,000. Non-res: $18,000,000. SFD product averages 1600 sq. ft. Subsidiaries: Warren Lumber Co.; J.A. Plumbing. Last year, company ranked #90.
145	$63,287	**AMREP Corp.** 10 Columbus Circle New York, NY 10019	Key Exec: Anthony B. Gliedman. Sold 387 SFD houses for $27,577,000. Sold 28 attached houses for $1,739,000. Rents & fees: $30,398,000. Land sales: $3,573,000. Subsidiaries: AMREP Southwest; AMREP Southeast. Last year, company ranked #107.
146	$63,048	**Artery Organization** 7200 Wisconsin Ave. Bethesda, MD 20814	Key Exec: Alan B. Geller. Sold 50 single-family-detached houses for $11,486,697. Sold 335 attached houses for $45,687,303. Non-res: $1,209,000. Rents & fees: $4,665,000. Last year, company ranked #94.
147	$63,025	**Di Loreto Construction** P.O. Box 70280 Reno, NV 89570	Key Exec: Perry M. Di Loreto. Sold 355 SFD houses for $49,700,000. Sold 65 attached houses for $6,825,000. Non-res: $3,000,000. Rents & fees: $1,500,000. Land sales: $2,000,000. SFD product averages 2000 sq. ft. Attached product averages 1200 sq. ft.
148	$62,460	**Flournoy Construction** P.O. Box 6566 Columbus, GA 31995	Key Exec: J. Randolph Osborne. Built 1054 apartments for $47,430,000. Remodeling: $50,000. Non-res: $2,000,000. Rents & fees: $12,500,000. Land sales: $480,000. Last year, company ranked #136.
149	$62,061	**Richmarr Construction Corp.** 5301 Wisconsin Ave. N.W., #500 Washington, D.C. 20015	Key Exec: Richard A. Kirstein. Sold 205 SFD houses for $50,361,250. Sold 30 attached houses for $4,350,000. Built 245 apartments for $7,350,000. SFD product averages 2750 sq. ft. Attached product averages 2100 sq. ft. Subsidiaries: Richmarr Excavation Co. Last year, ranked #168.
150	$62,000	**W.O. Brisben Cos.** 4750 Ashwood Drive, Suite 300 Cincinnati, OH 45241	*Professional Builder & Remodeler* estimates that in 1991, this firm built 607 apartments for $62,000,000. Key Exec: W.O. Brisben. Subsidiaries: Brisben Realty; Brisben Development Co. Last year, company ranked #239.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Mitchell Revenues Increase 96% To $61.5 Million

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
151	$61,550	**Mitchell Co.** P.O. Box 160306 Mobile, AL 36616	Key Exec: John Saint. Sold 550 attached houses for $38,000,000. Remodeling: $550,000. Rents & fees: $20,000,000. Land sales: $3,000,000. Subsidiaries: Gulf Coast Building & Supply. Last year, company ranked #323.
152	$60,600	**Sun City Center Corp.** P.O. Box 5698 Sun City Center, FL 33570	Key Exec: Kim Frosell. Sold 285 single-family-detached houses for $32,000,000. Non-res: $1,800,000. Land sales: $3,000,000. Other income: $23,800,000. Subsidiaries: Walden Lake. Last year, company ranked #276.
153	$59,948	**Crosswinds Communities** 7380 Meadowridge Circle Bloomfield, MI 48033	Key Exec: Bernard Glieberman. Sold 320 SFD houses for $32,000,000. Sold 150 attached houses for $21,000,000. Rents & fees: $1,540,000. Land sales: $5,408,000. SFD product averages 1450 sq. ft. Attached product averages 1350 sq. ft. Last year, company ranked #193.
154	$59,850	**John LaFata Ltd.** 8900 13 Mile Road Warren, MI 48093	Key Exec: John LaFata. Sold 108 single-family-detached houses for $10,800,000. Sold 74 attached houses for $7,500,000. Built 820 apartments for $35,000,000. Remodeling: $3,900,000. Rents & fees: $450,000. Land sales: $2,200,000.
155	$59,500	**D.W. Hutson Construction** 3030 Hartley Road, #290 Jacksonville, FL 32257	Key Exec: David W. Hutson. Sold 583 SFD houses for $50,600,000. Rents & fees: $1,300,000. Land sales: $5,700,000. Other income: $1,900,000. Subsidiaries: Various Related Operations.
156	$59,400	**Dividend Development Corp.** 3600 Pruneridge Ave., Suite 340 Santa Clara, CA 95051	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 300 single-family-detached houses for $59,400,000. Key Exec: Douglas Watson. Last year, company ranked #84.
157	$58,883	**Bresler & Reiner** 401 M St. S.W. Washington, D.C. 20024	Key Exec: Charles S. Bresler. Sold 111 SFD houses for $17,323,000. Sold 43 attached houses for $9,400,000. Remodeling: $1,100,000. Rents & fees: $13,700,000. Land sales: $360,000. Other income: $17,000,000. Subsidiaries: Charles Burton Builders, Town Center Management.
158	$58,500	**Milburn Investments** 11911 Burnet Road Austin, TX 78766	Key Exec: Bill Milburn. Sold 672 single-family-detached houses for $58,500,000. SFD product averages 1800 sq. ft. Subsidiaries: Milburn Land Development, Miltex Mortgage Co., Travis Title Co. Last year, company ranked #303.
159	$58,125	**S&A Custom Built Homes** 501 Rolling Drive, Suite 200 State College, PA 16801	Key Exec: Don Haubert, Robert Poole. Sold 481 SFD houses for $43,435,000. Sold 77 attached houses for $7,045,000. Remodeling: $145,000. Non-res: $1,250,000. Land sales: $2,500,000. Other income: $3,750,000. SFD product averages 1650 sq. ft. Last year, company ranked #204.
160	$58,000	**James Lewis Corp.** 1301 Lancaster Ave. Berywn, PA 19312	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 145 SFD houses for $38,000,000, and 120 attached houses for $20,000,000. Key Exec: Lewis J. Brandolini III. Subsidiaries: First Stafford Corp.; Daylesford Associates; Baldwin Development.
161	$57,600	**Henry Fischer Builder** 2670 Chancellor Drive, Suite 300 Crestview Hills, KY 41017	Key Exec: Henry K. Fischer. Sold 286 single-family-detached houses for $51,600,000. Sold 57 attached houses for $6,000,000. SFD product averages 2600 sq. ft. Attached product averages 1900 sq. ft. Last year, company ranked #246.
162	$57,529	**Owings & Terry Homebuilding** P.O. Box 7679 Marietta, GA 30065	Key Exec: S. Kent Owings. Sold 522 SFD houses for $52,458,838. Rents & fees: $1,670,000. Land sales: $3,400,000. SFD product averages 1800 sq. ft. Subsidiaries: Northlake Homes; Gulfland Homes. Last year, company ranked #157.
163	$57,500	**Post Properties** 3350 Cumberland Circle, #2200 Atlanta, GA 30339	Key Exec: John A. Williams. Built 1000 apartments for $57,500,000. High-rise residential: $11,500,000. Rents & fees: $85,771,500. Other income: $28,200,000. Subsidiaries: Post Atlanta; Post Florida; Post Washington. Last year, company ranked #200.
164	$57,500	**Sundance Homes** 5360 Keystone Court Rolling Meadows, IL 60008	Key Exec: Maurice Sanderman. Sold 225 SFD houses for $45,000,000. Sold 100 attached houses for $12,500,000. SFD product averages 1347 sq. ft. Attached product averages 1875 sq. ft. Last year, company ranked #247.
165	$57,326	**Sunland Communities** 5095 Murphy Canyon Road San Diego, CA 92123	Key Exec: Ure Kretowicz. Sold 232 SFD houses for $47,759,000. Sold 35 attached houses for $4,333,000. Rents & fees: $1,107,000. Land sales: $4,127,000. SFD product averages 2250 sq. ft. Attached product averages 1050 sq. ft. Last year, company ranked #99.
166	$57,000	**McGuyer Homebuilders** 7676 Woodway, #104 Houston, TX 77063	Key Exec: Frank McGuyer. Sold 575 single-family-detached houses for $57,000,000.
167	$56,464	**Hughes-Patwil Homes** P.O. Box 6181 Harrisburg, PA 17112	Key Exec: Eugene Bastian. Sold 773 single-family-detached houses for $56,306,833. Remodeling: $157,316. Single-family-detached product averages 1500 sq. ft. Last year, company ranked #209.
168	$56,219	**Fuqua Homes** 7100 S. Cooper Arlington, TX 76017	Key Exec: P.R. Daniels. Sold 2108 mobile homes for $56,219,000. Subsidiaries: Concept Building Systems. Last year, company ranked #178.
169	$56,000	**Weingarten Siegel Group** 198 Route Nine Oldbridge, NJ 07726	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 300 single-family-detached houses for $56,000,000. Key Exec: Mark Seigel. Last year, company ranked #132.
170	$55,645	**Mercedes Homes** 1600 W. Eau Gallie Blvd. Melbourne, FL 32935	Key Exec: Keith Buescher. Sold 699 single-family-detached houses for $44,199,553. Land sales: $11,445,813. Single-family-detached product averages 1600 sq. ft. Last year, company ranked #179.
171	$55,591	**DeLuxe Homes of PA** 499 W. 3rd St. Berwick, PA 18603	Key Exec: Donald E. Meske. Sold 20 SFD houses for $2,756,000. Sold 235 attached houses for $18,768,000. Sold 886 manufactured housing units (modular, panelized or precut) for $34,067,000. Subsidiaries: Deluxe Development, Laurel Hills Development.
172	$55,395	**Zaring Homes** 11300 Cornell Park Drive Cincinnati, OH 45242	Key Exec: Allen G. Zaring III. Sold 241 single-family-detached houses for $52,088,225. Sold seven attached houses for $1,048,148. Land sales: $2,258,248. Subsidiaries: Zaring Land Development; Zaring Campbell Co. Last year, company ranked #181.
173	$55,138	**Bozzuto & Associates** 6401 Golden Triangle Drive Greenbelt, MD 20770	Key Exec: Thomas S. Bozzuto. Sold 76 attached houses for $7,660,267. Built 614 apartments for $42,618,000. Remodeling: $400,000. Non-res: $650,000. Rents & fees: $1,150,000. Other income: $2,660,000. Last year, company ranked #173.
174	$55,000	**A.G. Spanos Construction** 1341 W. Robinhood Drive Stockton, CA 95207	Key Exec: Dean Spanos. Built 1196 apartments for $55,000,000. Rents & fees: $118,890,000. Land sales: $27,970,000. Other income: $52,820,000. Last year, company ranked #108.
175	$54,727	**Ryder Homes** P.O. Box 4008 Walnut Creek, CA 94596	Key Exec: Ned K. Ryder. Sold 201 single-family-detached houses for $39,537,500. Rents & fees: $6,839,000. Land sales: $8,350,000. Single-family-detached product averages 1900 sq. ft. Last year, company ranked #139.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

New Construction, Non-Res, Remodeling In McBride Mix

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
176	$54,525	**Picerne Properties** 75 Lambert Lind Highway Warwick, RI 02886	Key Exec: Ronald R.S. Picerne. Sold 40 single-family-detached houses for $7,000,000. Built 831 apartments for $47,525,000. Single-family-detached product averages 2000 sq. ft. Subsidiaries: Picerne Development. Last year, company ranked #68.
177	$54,403	**Pembroke Enterprises** 4425 Corporation Lane, #400 Virginia Beach, VA 23462	Key Exec: Frederick Napolitano. Sold 156 SFD houses for $17,671,686. Sold 72 attached houses for $6,269,808. Rents & fees: $19,146,693. Land sales: $8,012,315. Other income: $3,302,030. SFD product averages 1725 sq. ft. Attached product averages 1400 sq. ft.
178	$54,318	**General Homes Corp.** 7322 Southwest Freeway Houston, TX 77074	Key Exec: William LeSage. Sold 606 single-family-detached houses for $54,318,000. Single-family-detached product averages 1950 sq. ft. Subsidiaries: Eden Corp. Last year, company ranked #47.
179	$54,219	**Regis Homes** 5120 Campus Drive Newport Beach, CA 92660	Key Exec: Geoffrey L. Stack. Sold 73 attached houses for $10,729,507. Built 572 apartments for $40,503,789. Rents & fees: $2,985,274. Subsidiaries: Regis Land; Regis Developers; Regis Contractors. Last year, company ranked #96.
180	$54,183	**Roberts Properties** P.O. Box 28744 Atlanta, GA 30328	Key Exec: Charles S. Roberts. Sold 27 SFD houses for $4,050,000. Built 532 apartments for $39,900,000. Rents & fees: $6,632,900. Land sales: $1,000,000. Other income: $2,600,000. SFD product averages 2400 sq. ft. Subsidiaries: Roberts Properties Construction.
181	$53,954	**John Laing Homes** 23382 Mill Creek, #105 Laguna Hills, CA 92653	Key Exec: Robert E. Fritts. Sold 122 SFD houses for $22,646,000. Sold 192 attached houses for $31,308,000. SFD product averages 1900 sq. ft. Attached product averages 1500 sq. ft. Parent firm: John Laing PLC, London. Last year, company ranked #206.
182	$53,943	**McBride & Son Enterprises** #11 McBride Center Dr. St. Louis, MO 63005	Key Exec: Richard T. Sullivan. Sold 180 SFD houses for $29,610,000. Sold 70 attached houses for $4,514,000. Remodeling: $520,000. Non-res: $908,000. Rents & fees: $196,000. Other income: $18,195,000. SFD product averages 2600 sq. ft. Attached product averages 1100 sq. ft.
183	$53,622	**RGC (RecreActions Group)** 20 Corporate Plaza Newport Beach, CA 92660	Key Exec: E. James Murar. Sold 24 SFD houses for $7,560,000. Sold 254 attached houses for $46,062,000. SFD product averages 1934 sq. ft. Attached product averages 1197 sq. ft. Last year, company ranked #229.
184	$53,200	**Covington Development Group** 2451 E. Orangethorpe Fullerton, CA 92631	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 256 SFD houses for $53,200,000. Key Exec: Loran D. Covington. Subsidiaries for Southern California, Southwest and Northern California. Last year, company ranked #176.
185	$53,022	**Orange Blossom Hills** 1200 Avenida Central Lady Lake, FL 32159	Key Exec: Harold S. Schwartz. Sold 430 SFD houses for $28,460,977. Remodeling: $52,000. Rents & fees: $101,000. Land sales: $10,232,950. Other income: $14,175,153. SFD product averages 1292 sq. ft. Last year, company ranked #219.
186	$52,600	**United Development** 1400 S. Wolf Road Wheeling, IL 60090	Key Exec: Sheldon Lazar. Sold 190 SFD houses for $38,000,000. Sold five attached houses for $1,100,000. Rents & fees: $13,500,000. Subsidiaries: United Development Homes, United Southwest. Last year, company ranked #167.
187	$52,500	**Habitat For Humanity** 121 Habitat St. Americus, GA 31709	Key Exec: Millard Fuller. Sold 1000 single-family-detached houses for $35,000,000. Sold 500 attached houses for $17,500,000.
188	$51,766	**Paragon Homes** 1448 15th St. Santa Monica, CA 90404	Key Exec: Irwin E. Garfield. Sold 337 single-family-detached houses for $51,766,000. Single-family-detached product averages 1700 sq. ft. Subsidiaries: Paragon Development. Last year, company ranked #150.
189	$51,731	**Royce Homes** 14614 Falling Creek, Suite 250 Houston, TX 07706	Key Exec: Michael G. Manners. Sold 586 SFD houses for $51,731,000. SFD product averages 2050 sq. ft. Subsidiaries: Michael Thomas Estate Homes; Hammersmith Financial; MGM Realty. Last year, company ranked #270.
190	$51,450	**Liberty Homes** 1101 Eisenhower Drive N. Goshen, IN 46526	Key Exec: Edward J. Hussey. Sold 3336 mobile homes for $51,450,000. Last year, company ranked #230.
191	$51,037	**Patriot Homes** 57420 County Road 3 Elkhart, IN 46517	Key Exec: Sam Weidner Sr. Sold 3886 mobile homes for $51,036,867. Subsidiaries: Energymate Division, Lincoln Park Division; South Ridge Homes. Last year, company ranked #232.
192	$50,364	**Doyle Wilson HomeBuilder** 8310 Capital of Texas Hwy Austin, TX 78731	Key Exec: Doyle Wilson. Sold 365 single-family-detached houses for $50,364,000. Last year, company ranked #314.
193	$50,006	**Arvida** 1200 Weston Road Ft. Lauderdale, FL 33326	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 370 single-family-detached houses for $50,000,000. Key Exec: John Garrity.
194	$49,195	**Hills Developers** 7420 Montgomery Road Cincinnati, OH 45236	Key Exec: Stephen Guttman. Sold 12 SFD houses for $1,890,000. Sold 449 attached houses for $28,900,000. Built 256 apartments for $11,000,000. Non-res: $1,710,000. Rents & fees: $5,695,000. SFD product averages 1700 sq. ft. Attached product averages 1400 sq. ft.
195	$48,547	**Larwin Construction Co.** 16255 Ventura Blvd. Encino, CA 91436	Key Exec: Michael I. Keston. Sold 231 SFD houses for $40,942,000. Non-res: $1,740,000. Rents & fees: $5,865,000. Single-family-detached product averages 2000 sq. ft. Last year, company ranked #187.
196	$48,260	**Gregory Group** 1070 Sixth Ave., #200 Belmont, CA 94002	Key Exec: Gregory J. Erickson. Sold 122 single-family-detached houses for $47,810,428. Rents & fees: $450,000. Single-family-detached product averages 2300 sq. ft. Last year, company ranked #273.
197	$48,000	**Westfield Homes** 33973 N. Hunt Club Road Gurnee, IL 60031	Key Exec: Roger B. Gatewood. Sold 213 single-family-detached houses for $35,000,000. Sold 116 attached houses for $13,000,000. Last year, company ranked #207.
197	$48,000	**Rottlund Co.** 5201 E. River Road Fridley, MN 55421	Key Exec: David Rotter. Sold 200 SFD houses for $16,000,000. Sold 400 attached houses for $32,000,000. Last year, company ranked #240.
199	$47,883	**Interstate General Co.** 222 Smallwood Village Center St. Charles, MD 20602	Key Exec: James J. Wilson. Sold 185 SFD houses for $19,352,000. Sold 99 attached houses for $13,691,000. Rents & fees: $8,253,000. Land sales: $3,151,000. Other income: $3,436,000. Subsidiaries: American Family Homes. Last year, company ranked #184.
200	$47,698	**Buie Corp.** 16935 W. Bernardo Drive San Diego, CA 92127	Key Exec: Robert F. Buie. Sold 191 single-family-detached houses for $42,317,146. Sold 32 attached houses for $5,380,819. SFD product averages 2200 sq. ft. Attached product averages 1200 sq. ft. Last year, company ranked #67.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Kling, Kensington Make Their Debut Among The Giants

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
201	$46,950	**Kling Real Estate Ltd.** 77 Lincoln Ave. Staten Island, NY 10306	Key Exec: Melvin Kling. Sold 80 single-family-detached houses for $40,000,000. Remodeling: $450,000. Non-res: $4,000,000. Land sales: $2,500,000. Subsidiaries: M.F.K. Construction Co.
202	$46,625	**Estridge Cos.** 148 W. Carmel Drive Carmel, IN 46032	Key Exec: Paul E. Estridge. Sold 305 SFD houses for $45,500,000. Remodeling: $1,125,000. Subsidiaries: Paul Estridge Corp., Estridge Development. Last year, company ranked #249.
203	$46,530	**Zicka Homes** 11939 Montgomery Road Cincinnati, OH 45249	Key Exec: Michael Zicka. Sold 92 single-family-detached houses for $31,740,000. Rents & fees: $2,640,000. Land sales: $12,150,000. Subsidiaries: Zicka Development. Last year, company ranked #250.
204	$46,500	**Kensington Building Corp.** 75 Saratoga St. Long Beach, NY 11561	Key Exec: Matthew M. Russo. Sold 20 SFD houses for $6,000,000. Sold 60 attached houses for $12,000,000. Built 50 apartments for $5,500,000. Non-res: $5,000,000. High-rise residential: $12,000,000. Rents & fees: $6,000,000. SFD product averages 2100 sq. ft.
205	$46,200	**JCC Development** 3480 Torrance Blvd., #300 Torrance, CA 90503	*Professional Builder & Remodeler* estimates that in 1991, this company sold 68 single-family-detached houses for $46,200,000. Key Exec: Jack C. Cameron. Last year, company ranked #134.
206	$46,158	**Joe Keim Builders** 618 Frazier Court Wheaton, IL 60187	Key Exec: Joseph A. Keim. Sold 63 SFD houses for $20,823,390. Land sales: $25,334,761.5. SFD product averages 3400 sq. ft. Subsidiaries: Joe Keim Land. Last year, company ranked #231.
207	$45,965	**Amurcon Corp. of Virginia** 1001 E. Main St., Suite 1100 Richmond, VA 23219	Key Exec: Robert W. Schaberg. Sold 49 attached houses for $5,910,000. Built 266 apartments for $16,617,100. Rents & fees: $23,438,000. Attached product averages 1100 sq. ft. Last year, company ranked #261.
208	$45,860	**Epoch Properties** 359 Carolina Ave. Winter Park, FL 32789	Key Exec: James H. Pugh Jr. Built 820 apartments for $43,460,000. Rents & fees: $2,400,000. Subsidiaries: Epoch Capital Corp. Last year, company ranked #214.
209	$45,222	**Evans Withycombe** 6991 E. Camelback Road, A-200 Scottsdale, AZ 85251	Key Exec: Stephen O. Evans. Sold 20 single-family-detached houses for $4,400,000. Built 687 apartments for $38,872,000. Remodeling: $1,600,000. Non-res: $350,000. Last year, company ranked #254.
210	$44,743	**Regency Homes** 2826 University Drive Pompano Beach, FL 33065	Key Exec: Ben Martz. Sold 183 SFD houses for $43,900,000. Remodeling: $707,608. Rents & fees: $135,000. Single-family-detached product averages 2450 sq. ft. Last year, company ranked #308.
211	$44,660	**Goodman Homes** 1424 Gables Court Plano, TX 75075	Key Exec: Stephen L. Goodman. Sold 251 single-family-detached houses for $44,659,970. Single-family-detached product averages 2600 sq. ft. Last year, company ranked #284.
212	$44,449	**Grupe Co.** P.O. Box 7576 Stockton, CA 95207	Key Exec: Greenlaw Grupe Jr. Sold 141 SFD houses for $27,161,697. Sold 90 attached houses for $17,287,788. Non-res: $1,842,439. Rents & fees: $85,745,771. Land sales: $33,538,516. Other income: $23,331,783. SFD product averages 1900 sq. ft. Attached averages 1460 sq. ft.
213	$43,700	**Harmon Cos.** 14100 Park E. Long Court Chantilly, VA 22021	Key Exec: Chris Harmon. Sold 115 SFD houses for $40,250,000. Sold 23 attached houses for $3,450,000. Single-family-detached product averages 3000 sq. ft. Attached product averages 1800 sq. ft.
214	$43,315	**Guerdon Homes** 5285 Meadows, #315 Lake Oswego, OR 97305	Key Exec: Al Preusch. Sold 3437 mobile homes for $36,878,000. Sold 363 manufactured housing units (modular, panelized or precut) for $6,437,000. Last year, company ranked #260.
215	$43,191	**Red Seal Development Corp.** 425 Huehl Road Northbrook, IL 60062	Key Exec: David Hoffman. Sold 69 SFD houses for $21,700,000. Sold two attached houses for $432,700. Built 204 apartments for $14,000,000. Remodeling: $250,000. Non-res: $3,301,500. Rents & fees: $1,621,600. Land sales: $300,000. Other income: $1,585,300.
216	$43,000	**Joe Miller Homes** 18133 Cedar Ave. South Farmington, MN 55024	Key Exec: Joseph M. Miller. Sold 340 single-family-detached houses for $43,000,000. Single-family-detached product averages 1900 sq. ft. Last year, company ranked #283.
217	$42,733	**Village Homes Ltd.** 6 W. Dry Creek Circle Littleton, CO 80120	Key Exec: John E. Osborn. Sold 293 SFD houses for $41,142,872. Rents & fees: $282,292. Land sales: $1,003,520. Other income: $303,950. SFD product averages 2200 sq. ft. Parent firm: Signature Development. Last year, company ranked #343.
218	$42,530	**Kopf Construction Corp.** 32730 Walker Road, H-1 Avon Lake, OH 44012	Key Exec: H.R. Kopf. Sold 70 SFD houses for $22,750,000. Sold 38 attached houses for $7,220,000. Built 88 apartments for $6,160,000. Non-res: $1,900,000. Rents & fees: $1,900,000. Land sales: $1,200,000. Other income: $1,400,000. Subsidiaries: Lake Shore Land Development.
219	$42,256	**R.B. McComic** 4920 Carroll Canyon Road San Diego, CA 92121	Key Exec: Barry McComic. Sold 100 SFD houses for $31,941,600. Rents & fees: $205,000. Land sales: $8,100,000. Other income: $2,010,000. SFD product averages 2180 sq. ft. Subsidiaries: Boulder Creek Co. Last year, company ranked #174.
220	$42,120	**New Fortis Corp.** P.O. Box 485 King, NC 27021	Key Exec: Marvin D. Gentry. Sold 418 single-family-detached houses for $42,120,000. Single-family-detached product averages 1710 sq. ft. Last year, company ranked #524.
221	$42,000	**Triad Development** 320 Andover Park East, #235 Seattle, WA 98188	Key Exec: John Comick. Built 685 apartments for $35,000,000. Remodeling: $7,000,000. Last year, company ranked #146.
222	$41,702	**Bennett & Compton** P.O. Box 1597 Lodi, CA 95241	Key Exec: Dennis G. Bennett. Sold 109 SFD houses for $15,753,942. Sold nine attached houses for $1,862,650. Rents & fees: $1,234,180. Land sales: $22,851,508. SFD product averages 1400 sq. ft. Subsidiaries: B&C Development, Latrobe Development. Last year, company ranked #385.
223	$41,500	**Davis Homes L.P.** 8200 N. Haverstick Road, #250 Indianapolis, IN 46240	Key Exec: William Blake. Sold 360 single-family-detached houses for $41,500,000. Single-family-detached product averages 1700 sq. ft. Subsidiaries: Davis Wholesale. Last year, company ranked #252.
224	$40,168	**Diversified Homes** 8015 Dorsey Run Road, Suite B Jessup, MD 20794	Key Exec: Kenneth W. Carlson. Sold 135 SFD houses for $24,905,034. Sold 93 attached houses for $11,027,216. Sold 245 manufactured housing units (modular, panelized or precut) for $3,536,000. Other income: $700,000. SFD product averages 2000 sq. ft.
225	$40,028	**Premier Group** 2010 Main St., #220 Irvine, CA 92714	Key Exec: Pierre Le Pendeven. Sold 225 SFD houses for $39,000,000. Rents & fees: $1,028,000. SFD product averages 2130 sq. ft. Parent firm: Les Nouveaux Construction, France. Last year, company ranked #166.

MJC Construction New To Giants List

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
226	$40,000	**Tompkins Heritage Homes** 1637 E. Vine St. Kissimmee, FL 34744	*Professional Builder & Remodeler* estimates that in 1991, this company sold 400 single-family-detached houses for $40,000,000. Key Exec: Thomas N. Tompkins. Last year, company ranked #79
226	$40,000	**Deluxe Homes Inc.** 2935 E. 96th St. Indianapolis, IN 46240	Key Exec: Richard H. Crosser. Sold 440 SFD houses for $40,000,000. Single-family-detached product averages 1500 sq. ft. Subsidiaries: Trimark Homes.
228	$39,992	**G.L. Homes of Florida** 1401 University Drive, #300 Coral Gables, FL 33071	Key Exec: Itchko Ezratti. Sold 237 single-family-detached houses for $37,040,000. Rents & fees: $2,777,000. Other income: $175,000. SFD product averages 2250 sq. ft. Last year, company ranked #312
229	$39,105	**Frankel Enterprises** 1845 Walnut St. Philadelphia, PA 19103	Key Exec: Benjamin Frankel. Sold 22 SFD houses for $13,495,000. Sold 19 attached houses for $6,950,000. Rents & fees: $13,250,000. Land sales: $5,410,000. SFD product averages 2800 sq. ft. Attached product averages 2550 sq. ft. Subsidiaries: Hunters Run; Admirals Cove.
230	$38,625	**Williamsburg Properties** 423 Wards Corner Road Loveland, OH 45140	Key Exec: Charles Minneci. Sold 220 SFD houses for $31,000,000. Sold 34 attached houses for $3,000,000. Remodeling: $25,000. Non-ras: $600,000. Land sales: $4,000,000. Subsidiaries: Cincinnati Land Development. Last year, company ranked #297
231	$38,514	**State Wide Investors** 6415 Katella Ave. Cypress, CA 90630	Key Exec: Greg Sadick. Built 436 apartments for $29,280,000. Rents & fees: $9,234,360.
232	$38,386	**Selective Group** 27655 Middlebelt Road, #130 Farmington Hills, MI 48018	Key Exec: Michael Horowitz. Sold 90 SFD houses for $24,161,000. Sold 19 attached houses for $3,712,000. Non-res: $3,946,000. Rents & fees: $5,343,000. Land sales: $1,224,000. SFD product averages 3000 sq. ft. Attached product averages 2100 sq. ft. Last year, ranked #263.
233	$38,300	**Hazel/Peterson Cos.** 12500 Fair Lakes Circle, #400 Fairfax, VA 22033	*Professional Builder & Remodeler* estimates that in 1991, this company sold 312 attached houses for $38,300,000. Key Exec: James W. Todd.
234	$37,816	**Kennedy Group (Fla.)** 2001 W. Sample Road Pompano Beach, FL 33064	Key Exec: Timothy Kelly. Sold 174 SFD houses for $28,400,400. Sold 100 attached houses for $9,416,000. SFD product averages 2300 sq. ft. Attached product averages 1700 sq. ft. Subsidiaries: Kennedy Properties; Kennedy Realty. Last year, company ranked #233
235	$37,798	**Taylor Morley** 1227 Fernridge Parkway, #200 St. Louis, MO 63141	Key Exec: Harry T. Morley. Sold 159 SFD houses for $28,678,885. Sold 41 attached houses for $2,943,566. Rents & fees: $6,175,079. SFD product averages 2500 sq. ft. Attached product averages 1200 sq. ft. Last year, company ranked #287
236	$37,600	**MJC Construction** 46401 Romeo Plank Road 1 Mount Clemens, MI 48044	Key Exec: Michael A. Chirco. Sold 69 SFD houses for $19,000,000. Sold 20 attached houses for $3,200,000. Built 108 apartments for $10,000,000. Rents & fees: $3,100,000. Land sales: $1,200,000. Other income: $1,100,000.
237	$37,286	**Lindal Cedar Homes** 4300 S. 104th Place Seattle, WA 98178	Key Exec: Robert W. Lindal. Sold 509 manufactured housing units (modular, panelized or precut) for $37,286,000. SFD product averages 2500 sq. ft. Subsidiaries: Window Visions; Lindal Cedar Sunrooms; Lindal Hardwoods. Last year, company ranked #265.
238	$37,100	**John Mourier Construction** 1830 Vernon St., Suite 8 Roseville, CA 95678	Key Exec: John Mourier III. Sold 215 single-family-detached houses for $37,100,000. Single-family-detached product averages 1800 sq. ft. Last year, company ranked #164.
239	$36,400	**Ivory Homes** 127 S. 500 East, #110 Salt Lake City, UT 84102	Key Exec: Ellis Ivory. Sold 388 SFD houses for $34,500,000. Land sales: $1,900,000. Single-family detached product averages 1550 sq. ft. Last year, company ranked #309.
240	$36,325	**Miller and Smith Cos.** 1568 Spring Hill Road, #401 McLean, VA 22102	Key Exec: Alvin D. Hall. Sold 32 SFD houses for $7,539,000. Sold 155 attached houses for $28,786,000. Non-res: $2,250,000. Rents & fees: $1,343,000. Land sales: $468,000. Other income: $61,144,000. SFD product averages 2500 sq. ft. Attached product averages 1680 sq. ft.
241	$36,055	**RWS Development Corp.** 9650 W. 194th St. Mokena, IL 60448	Key Exec: Robert W. Strutz. Sold 134 SFD houses for $20,890,600. Sold 76 attached houses for $9,568,400. Land sales: $4,757,850. Other income: $837,943. SFD product averages 2000 sq. ft. Attached product averages 1650 sq. ft. Subsidiaries: Illinois Builders Supply.
242	$35,870	**Neal, Buskirk & Adams** 3653 Cortez Road West Bradenton, FL 34210	Key Exec: Patrick Neal. Sold 66 SFD houses for $7,640,000. Sold 161 attached houses for $20,930,000. Rents & fees: $4,100,000. Land sales: $1,100,000. Other income: $2,100,000. Parent firm: P.K. Neal Cos.
243	$35,780	**Universal Constructors** P.O. Box 28 McMinnville, TN 37110	Key Exec: Larry D. Elliott. Built 1145 apartments for $35,780,000. Last year, company ranked #242
244	$35,407	**Hill Williams Dev. Corp.** 175 Riverview, #200 Anaheim Hills, CA 92808	Key Exec: Donald H. Williams Jr. Sold 158 single-family-detached houses for $35,407,157. Last year, company ranked #321
245	$34,865	**Whittaker Construction** 355A Mid Rivers Mall Drive St. Peters, MO 63376	Key Exec: Greg Whittaker. Sold 308 SFD houses for $31,359,000. Sold four attached houses for $700,000. Non-res: $2,000,000. Rents & fees: $306,000. Land sales: $500,000. SFD product averages 2000 sq. ft. Last year, company ranked #337
246	$34,553	**Mungo Co./Stonehedge Const.** 4400 St. Andrews Road Columbia, SC 29210	Key Exec: Steven W. Mungo. Sold 290 SFD houses for $24,180,500. Rents & fees: $490,000. Land sales: $9,567,000. Other income: $315,000. SFD product averages 1444 sq. ft. Subsidiaries: Friarsgate; Sovereign Homes; Whitehall Developers. Last year, company ranked #318.
247	$34,541	**Kettler Forlines** 19110 Montgomery Village Ave. Gaithersburg, MD 20760	Key Exec: Clifford E. Forlines. Sold 74 SFD houses for $21,550,573. Sold 64 attached houses for $10,580,485. Rents & fees: $180,253. Land sales: $2,230,000. SFD product averages 2600 sq. ft. Attached product averages 1600 sq. ft. Last year, company ranked #313
248	$34,520	**Klutts Homes** 1433 Emerywood Drive Charlotte, NC 28226	Key Exec: J. Vaughn Klutts Sr. Sold 200 SFD houses for $21,011,320. Non-res: $11,917,000. Rents & fees: $290,216. Land sales: $1,206,971. Other income: $94,815. SFD product averages 1200 sq. ft. Subsidiaries: Pioneer Home Builders; Equity Ventures; Clearbrook Developers.
249	$34,400	**Ritz-Craft Corp.** P.O. Box 70 Mifflinburg, PA 17844	Key Exec: Paul R. John. Sold 220 mobile homes for $6,600,000. Sold 810 manufactured housing units (modular, panelized or precut) for $27,800,000. SFD product averages 1200 sq. ft. Subsidiaries: Medallion Homes; Platinum Homes; Vernon Homes. Last year, ranked #266.
250	$34,219	**Shawntana** 3501 Jamboree, #2000 Newport Beach, CA 92660	Key Exec: James B. Fleig. Sold 77 SFD houses for $18,380,520. Sold 97 attached houses for $15,838,826. SFD product averages 1680 sq. ft. Attached product averages 1350 sq. ft. Last year, company ranked #346.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Hansen & Horn, Dobson Add Remodeling Revenues

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
251	$34,000	**Bovis Homes** 498 Palm Springs Drive, #320 Altamonte Springs, FL 32701	Key Exec: Arthur Tye. Sold 360 SFD houses for $34,000,000. SFD product averages 1600 sq. ft. Parent firm: Bovis Homes, Cheltenham, England. Subsidiaries: Bovis Brunning Homes. Last year, company ranked #353
251	$34,000	**Scott Felder Homes** 5316 Highway 290 West Austin, TX 78735	Key Exec: Scott Felder. Sold 217 single-family-detached houses for $34,000,000.
253	$33,678	**Genesee Co.** 534 Commons Drive Golden, CO 80401	Key Exec: Robert Short. Sold 154 SFD houses for $33,678,000
254	$33,624	**Mayer Homes** 755 S. New Ballas Rd. St. Louis, MO 63141	Key Exec: J. Randall Mayer. Sold 215 SFD houses for $32,079,483. Rents & fees: $879,617. Land sales: $4650. Other income: $660,606. SFD product averages 2200 sq. ft. Subsidiaries: Mayer Homes Realty, Mayer Brother Construction; J.R. Mayer Management
255	$33,595	**Wiseman-Hughes Enterprises** 975 E. 22nd St. Wheaton, IL 60187	Key Exec: James F. Hughes. Sold 125 single-family-detached houses for $20,000,000. Sold 85 attached houses for $12,325,000. Land sales: $1,270,000. Last year, company ranked #285
256	$33,576	**Hansen & Horn Group** P.O. Box 50432 Indianapolis, IN 46250	Key Exec: Richard Westlake. Sold 216 SFD houses for $23,971,000. Sold 45 attached houses for $3,150,000. Sold 473 manufactured housing units (modular, panelized or precut) for $6,220,500. Remodeling: $235,400. SFD product averages 1600 sq. ft. Attached averages 1000 sq. ft.
257	$33,450	**Garden State Land Co.** 101 Interchange Plaza Cranbury, NJ 08512	Key Exec: Joseph Millstein. Sold 55 SFD houses for $22,000,000. Rents & fees: $4,100,000. Land sales: $7,350,000. Subsidiaries: Shadow Oaks at Cranbury, Princeton Oaks, Garden State Realty. Last year, company ranked #326
258	$33,230	**ITT Community Homes** 1 Corporate Drive Palm Coast, FL 32151	Key Exec: Robert DeVore. Sold 177 SFD houses for $18,086,000. Sold 22 attached houses for $3,372,000. Non-res: $8,713,000. Rents & fees: $406,000. Land sales: $2,653,000. SFD product averages 1750 sq. ft. Attached product averages 1500 sq. ft. Parent firm: ITT Corp.
259	$33,030	**John B. Canuso** P.O. Box 688 Voorhees, NJ 08043	Key Exec: John B. Canuso. Sold 156 SFD houses for $28,080,000. Sold 45 attached houses for $4,950,000. Single-family-detached product averages 2350 sq. ft. Attached product averages 1850 sq. ft. Last year, company ranked #406
260	$33,000	**Braemar Homes** 30495 Canwood St. Agoura Hills, CA 91301	Key Exec: Sidney H. Dinow. Sold 35 SFD houses for $21,000,000. Sold 30 attached houses for $9,000,000. Rents & fees: $1,000,000. Land sales: $2,000,000. SFD product averages 3600 sq. ft. Attached product averages 2100 sq. ft. Last year, company ranked #280
261	$32,957	**First Financial Group** 16830 Ventura Blvd., #600 Encino, CA 91436	Key Exec: Jack Shine. Sold 18 SFD houses for $2,929,000. Sold 107 attached houses for $16,028,000. Non-res: $4,000,000. Land sales: $10,000,000. Subsidiaries: American Beauty Homes. Last year, company ranked #478
262	$32,754	**Park Myers Group** 4353 1 Edgewater Drive Orlando, FL 32804	Key Exec: John Murphy. Sold 152 SFD houses for $15,200,000. Sold 21 attached houses for $1,050,000. Built 472 apartments for $16,000,000. Rents & fees: $504,000. SFD product averages 1550 sq. ft. Subsidiaries: PMW Construction, Georgetown Homes
263	$32,728	**Ciotti Cos.** 111 Summit Drive Exton, PA 19341	Key Exec: Sebastian R. Ciotti. Sold 123 SFD houses for $16,242,396. Sold 59 attached houses for $6,729,300. Non-res: $3,575,691. Rents & fees: $2,937,142. Land sales: $3,243,900. SFD product averages 1800 sq. ft. Attached product averages 1600 sq. ft. Last year, ranked #307
264	$32,251	**Ewing Properties** 16660 Dallas Parkway Dallas, TX 75248	Key Exec: Michael Pacillio. Built 622 apartments for $32,000,000. Rents & fees: $250,995
265	$32,200	**North American Housing Corp.** P.O. Box 145 Point of Rocks, MD 21777	Key Exec: R. Carl Benna. Sold 920 manufactured housing units (modular, panelized or precut) for $32,200,000. SFD product averages 1500 sq. ft. Attached product averages 1150 sq. ft. Last year, company ranked #256
266	$32,187	**Wayne Homes** 6370 Mt. Pleasant Road N.W. North Canton, OH 44720	Key Exec: David Showers. Sold 515 single-family-detached houses for $32,187,000. Single-family-detached product averages 2000 sq. ft. Last year, company ranked #335
267	$32,048	**Grant Cos.** 1117 Lone Palm Ave. Modesto, CA 95353	Key Exec: Allen Grant. Sold 203 single-family-detached houses for $30,454,490. Land sales: $1,593,900. SFD product averages 1649 sq. ft. Subsidiaries: Grant Homes. Last year, company ranked #381
268	$32,032	**Jacobsen Manufacturing** P.O. Box 368 Safety Harbor, FL 34695	Key Exec: W.R. Jacobsen. Sold 900 mobile homes for $28,034,000. Non-res: $3,998,000. Subsidiaries: Jacobsen Aluminum. Last year, company ranked #350
269	$32,021	**Holiday Builders** 1901 S. Harbor City Blvd., #806 Melbourne, FL 32901	Key Exec: Lawrence F. Sietsma. Sold 506 single-family-detached houses for $32,021,367. Single-family-detached product averages 1356 sq. ft. Last year, company ranked #319
270	$32,000	**Estes Home Building** P.O. Box 17360 Tucson, AZ 85731	Key Exec: William Estes Jr. Sold 442 single-family-detached houses for $30,000,000. Sold 16 attached houses for $2,000,000. SFD product averages 1700 sq. ft. Attached product averages 1400 sq. ft. Last year, company ranked #251
270	$32,000	**All American Homes** 1418 S. 13th Decatur, IN 46733	Key Exec: Larry Bultemeier. Sold 1750 manufactured housing units (modular, panelized or precut) for $32,000,000. Parent firm: Coachmen Industries, Elkhart, Ind.
272	$31,984	**C. Richard Dobson Builders** 739-B Thimble Shoals Blvd. Newport News, VA 23606	Key Exec: C. Richard Dobson. Sold 220 SFD houses for $29,718,000. Sold six attached houses for $582,000. Remodeling: $74,000. Non-res: $1,550,000. Rents & fees: $60,300. SFD product averages 2000 sq. ft. Attached product averages 1675 sq. ft. Last year, company ranked #366
273	$31,600	**Pinn Brothers Construction** 1475 Saratoga Ave., #250 San Jose, CA 95129	Key Exec: Alan R. Pinn. Sold 85 single-family-detached houses for $30,600,000. Rents & fees: $1,000,000. Single-family-detached product averages 2650 sq. ft. Last year, company ranked #299
274	$31,100	**Woodview Development** 200 E. Sandpointe Ave., #700 Santa Ana, CA 92707	Key Exec: Thomas C. Siffermann. Sold 194 single-family-detached houses for $30,100,000. Rents & fees: $1,000,000. Last year, company ranked #224
275	$31,019	**Parker Lancaster Corp.** 711 Moorefield Park Drive Richmond, VA 23236	Key Exec: J. Russell Parker III. Sold 204 single-family-detached houses for $30,519,715. Rents & fees: $164,737. Other income: $334,743. SFD product averages 2028 sq. ft. Last year, company ranked #289

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

PacWest Moves Up List With 72% Revenue Rise

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
276	$31,000	**The C.P. Morgan Co.** 301 E. Carmel Drive, #E-300 Carmel, IN 46032	Key Exec: Charles P. Morgan. Sold 136 SFD houses for $28,500,000. Sold 17 attached houses for $1,500,000. Non-res: $1,000,000. SFD product averages 1800 sq. ft. Attached product averages 1000 sq. ft. Subsidiaries: Morgan Investment. Last year, company ranked #292.
276	$31,000	**PacWest Development** 1390 Willow Pass, #410 Concord, CA 94520	Key Exec: J. Carter Witt. Sold 129 single-family-detached houses for $31,000,000. Single-family-detached product averages 2200 sq. ft. Last year, company ranked #417.
278	$30,200	**Wynne Building Corp.** 12804 S.W. 122nd Ave. Miami, FL 33186	Key Exec: Joel F. Wynne. Sold 274 SFD houses for $12,400,000. Non-res: $2,200,000. Rents & fees: $15,600,000. Subsidiaries: Spanish Lakes Communities, Oleander Pines. Last year, company ranked #450.
279	$30,158	**Christopher Cos.** 8290 Old Courthouse Road Vienna, VA 22180	Key Exec: Frederick A. Kober. Sold 40 SFD houses for $8,840,000. Sold 55 attached houses for $6,118,365. Rents & fees: $200,000. Land sales: $15,000,000. SFD product averages 2300 sq. ft. Attached product averages 1200 sq. ft. Last year, company ranked #354.
280	$30,131	**Cayman Development** 18012 Cowan St. Irvine, CA 92714	Key Exec: Raymond Rutter. Sold 22 SFD houses for $11,547,000. Sold 54 attached houses for $18,584,000. SFD product averages 4179 sq. ft. Attached product averages 2162 sq. ft. Subsidiaries: Seacliff Estates, Cayman Homes. Last year, company ranked #345.
281	$30,125	**Hayden Co.** One The Pines Court St. Louis, MO 63141	Key Exec: C. Barry Hayden. Sold 141 SFD houses for $24,500,000. Sold 30 attached houses for $5,500,000. Rents & fees: $125,000. SFD product averages 2525 sq. ft. Attached product averages 2200 sq. ft. Last year, company ranked #413.
282	$30,000	**Pennhill Co.** P.O. Box 19634 Irvine, CA 92713	Key Exec: Thomas E. Tucker. Sold 68 SFD houses for $15,000,000. Land sales: $15,000,000. SFD product averages 2300 sq. ft. Subsidiaries: Pennhill Equities. Last year, company ranked #236.
282	$30,000	**Brighton Homes** 505 N. Tustin Ave., #250 Santa Ana, CA 92705	Key Exec: Todd S. Cunningham. Sold 91 single-family-detached houses for $30,000,000. Single-family-detached product averages 2850 sq. ft. Last year, company ranked #215.
284	$29,955	**April Corp.** 7120 E. Orchard Road, #400 Englewood, CO 80111	Key Exec: Charles H. Sanford. Sold 144 single-family-detached houses for $29,914,500. Rents & fees: $40,000. SFD product averages 2800 sq. ft. Last year, company ranked #403.
285	$29,550	**Melody Homes** 11031 Sheridan Blvd. Broomfield, CO 80020	Key Exec: Noel West Lane III. Sold 266 single-family-detached houses for $28,686,000. Land sales: $864,000. Single-family-detached product averages 1500 sq. ft. Last year, company ranked #430.
286	$29,419	**Communities Const. Corp.** 1555 Palm Beach Lakes Blvd. West Palm Beach, FL 33401	Key Exec: E. Llwyd Ecclestone III. Sold 94 SFD houses for $22,447,954. Non-res: $5,200,000. Rents & fees: $1,382,500. Other income: $389,000. Single-family-detached product averages 2100 sq. ft. Last year, company ranked #339.
287	$29,308	**Costain Homes** 620 Newport Center Drive, #400 Newport Beach, CA 92660	Key Exec: Julie B. Newcomb. Sold 156 single-family-detached houses for $29,308,000. SFD product averages 2000 sq. ft. Parent firm: Costain Engineering, Chicago. Last year, company ranked #322.
288	$29,225	**Newhall Land & Farming Co.** 23823 Valencia Blvd. Valencia, CA 91355	Key Exec: Thomas L. Lee. Sold 102 SFD houses for $24,692,000. Sold 34 attached houses for $4,533,000. Rents & fees: $15,669,000. Land sales: $72,102,000. Other income: $35,185,000. SFD product averages 1525 sq. ft. Subsidiaries: Valencia Co. Last year, company ranked #65.
289	$29,000	**Edward Rose Building** P.O. Box 937 Southfield, MI 48037	Key Exec: Sheldon Rose. Sold 45 SFD houses for $5,000,000. Built 800 apartments for $24,000,000. Rents & fees: $150,000,000. Single-family-detached product averages 1700 sq. ft. Last year, company ranked #133.
290	$28,730	**Kennedy Group (Ill.)** 3721 Ventura Drive, #100 Arlington Hts., IL 60004	Key Exec: William Kennedy. Sold 92 SFD houses for $25,333,100. Remodeling: $58,700. Rents & fees: $823,100. Land sales: $2,515,500. SFD product averages 2650 sq. ft. Subsidiaries: Kennedy Homes Ltd., Kennedy Home Remodeling. Last year, company ranked #311.
291	$28,600	**Life Forms Inc.** P.O. Box 7190 Spring, TX 77381	Key Exec: Mark Alvis. Sold 169 single-family-detached houses for $28,600,000.
292	$28,569	**McStain Enterprises** 75 Manhattan, Suite 1 Boulder, CO 80303	Key Exec: Tom Hoyt. Sold 197 SFD houses for $26,500,000. Sold 43 attached houses for $2,069,450. SFD product averages 1600 sq. ft. Attached product averages 600 sq. ft.
293	$28,364	**Monterey Homes** 6263 N. Scottsdale Road, #220 Scottsdale, AZ 85250	Key Exec: Steven J. Hilton/William Clev. Sold 112 single-family-detached houses for $28,200,600. Rents & fees: $16[illegible],000. Single-family-detached product averages 2800 sq. ft.
294	$28,250	**Spielman-Cohen Builders** 9025 Wilshire Blvd., #301 Beverly Hills, CA 90211	Key Exec: Sanford Spielman. Sold two single-family-detached houses for $11,000,000. Built 78 apartments for $17,250,000. Last year, company ranked #325.
295	$28,000	**Hal Porter Homes** 1280 Central Blvd. Brentwood, CA 94513	Key Exec: Hal Porter. Sold 212 SFD houses for $23,000,000. Non-res: $500,000. Rents & fees: $1,500,000. Land sales: $3,000,000. Single-family-detached product averages 1300 sq. ft. Last year, company ranked #221.
296	$27,860	**Matzel & Mumford Organization** 61 Village Court Hazlet, NJ 07730	Key Exec: Bruce Matzel. Sold 95 SFD houses for $24,548,735. Sold attached houses for $3,310,996. SFD product averages 2425 sq. ft. Attached product averages 1880 sq. ft. Last year, company ranked #395.
297	$27,740	**Blitman Building Corp.** 222 Grace Church St. Port Chester, NY 10573	Key Exec: Howard N. Blitman. Sold 85 attached houses for $11,500,000. Remodeling: $8,000,000. Non-res: $4,000,000. High-rise residential: $4,000,000. Other income: $240,000. Subsidiaries: HPD Development. Last year, company ranked #360.
298	$27,422	**Stok Homes** 1420 Spring Hill, #490 McLean, VA 22102	Key Exec: Edwin Bidigare. Sold 74 SFD houses for $12,062,000. Sold 128 attached houses for $15,360,000. SFD product averages 2300 sq. ft. Attached product averages 1400 sq. ft. Last year, company ranked #377.
299	$27,250	**Harold Moore Associates** P.O. Box 756 Fayetteville, TN 37334	Key Exec: Harold Moore. Sold 20 SFD houses for $1,500,000. Sold 770 attached houses for $24,500,000. Non-res: $900,000. Land sales: $350,000. Attached product averages 1350 sq. ft. Subsidiaries: HM Properties; HM Management. Last year, company ranked #355.
300	$27,085	**Legacy Homes** 101 E. Park Blvd. Plano, TX 75074	Key Exec: John R. Landon. Sold 232 single-family-detached houses for $27,085,328. Single-family-detached product averages 2200 sq. ft. Last year, company ranked #317.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Michaels Does New Construction, Non-Res And Remodeling

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
301	$27,000	**Arker Cos.** 1015 Cedar Lane Woodmere, NY 11598	Key Exec: Allan Arker. Sold 25 SFD houses for $12,500,000. Non-res: $3,000,000. High-rise residential: $11,500,000. SFD product averages 3500 sq. ft. Last year, company ranked #228.
302	$26,724	**Michaels Group** 6 Century Hill Drive Latham, NY 12110	Key Exec: James W. Michaels. Sold 91 SFD houses for $18,633,333. Sold 67 attached houses for $6,923,333. Remodeling: $500,000. Non-res: $217,171. Rents & fees: $150,000. Land sales: $300,000. SFD product averages 2100 sq. ft. Attached product averages 1600 sq. ft.
303	$26,500	**Heritage Cos.** 574 E. Locust, #104 Fresno, CA 93710	Key Exec: Kevin Castanos. Sold 235 single-family-detached houses for $26,500,000. Single-family-detached product averages 1900 sq. ft. Last year, company ranked #567.
303	$26,500	**Hammonds Homes** 7171 Highway 6 N. Houston, TX 77095	Key Exec: Ron Hammonds. Sold 240 single-family-detached houses for $26,500,000. Single-family-detached product averages 2300 sq. ft.
305	$26,235	**Acacia Construction** 1021 W. Bastanchury Rd. Fullerton, CA 92633	Key Exec: Richard G. Snyder. Sold 130 SFD houses for $22,557,000. Rents & fees: $3,202,000. Other income: $476,000. SFD product averages 1750 sq. ft. Last year, company ranked #400.
306	$26,100	**Techbilt Construction** 3575 Kenyon St. San Diego, CA 92110	Key Exec: Paul K. Tchang. Sold 78 SFD houses for $22,600,000. Sold five attached houses for $1,900,000. Non-res: $900,000. Rents & fees: $700,000. Last year, company ranked #234.
307	$26,000	**Calprop Corp.** 5456 McConnell Ave. Los Angeles, CA 90066	Key Exec: Victor Zaccaglin. Sold 97 single-family-detached houses for $26,000,000. SFD product averages 1700 sq. ft. Attached product averages 2100 sq. ft. Last year, company ranked #298.
307	$26,000	**Citation Builders-So. Calif.** 15101 Redhill Ave., #100 Tustin, CA 92680	Key Exec: Anthony Allen. Sold 141 single-family-detached houses for $26,000,000. SFD product averages 1600 sq. ft. Last year, company ranked #226.
307	$26,000	**Gulf Constructors** 433 S.W. 10th St. Gainesville, FL 32601	Key Exec: Daniel Whiteman. Sold three single-family-detached houses for $1,000,000. Sold 300 attached houses for $25,000,000. Remodeling: $5,000,000. Non-res: $40,000,000.
310	$25,995	**DeLuca Enterprises** 842 Durham Road, #200 Newtown, PA 18940	Key Exec: Alfonso DeLuca. Sold 49 SFD houses for $12,649,958. Sold 72 attached houses for $9,223,848. Non-res: $1,111,460. Rents & fees: $905,000. Land sales: $2,105,000. SFD product averages 2700 sq. ft. Attached product averages 1400 sq. ft.
311	$25,900	**Drake Homes** P.O. Box 1448 Chico, CA 95927	Key Exec: John D. Drake. Sold 125 SFD houses for $19,600,000. Built 120 apartments for $6,300,000. Single-family-detached product averages 1500 sq. ft. Last year, company ranked #331.
312	$25,781	**Weitzer Services** 4960 S.W. 77nd Ave., #401 Miami, FL 33155	Key Exec: Harry Weitzer. Sold 165 single-family-detached houses for $25,781,000. Last year, company ranked #412.
313	$25,735	**Colony Homes** P.O. Box 100 Woodstock, GA 30168	Key Exec: Tom Bradbury & Bonneau Ansley. Sold 334 single-family-detached houses for $25,735,286. Single-family-detached product averages 1204 sq. ft. Last year, company ranked #349.
314	$25,715	**Kirk Corp.** 201 Juniper Circle Streamwood, IL 60107	Key Exec: Donald Kirk. Sold 38 SFD houses for $6,460,000. Sold 80 attached houses for $10,800,000. Other income: $8,455,000. SFD product averages 1900 sq. ft. Attached product averages 1550 sq. ft. Last year, company ranked #356.
315	$25,600	**Montalbano Builders** 2208 Midwest Road Oak Brook, IL 60521	Key Exec: Anthony Montalbano. Sold 101 SFD houses for $18,600,000. Sold 52 attached houses for $6,700,000. Land sales: $300,000. SFD product averages 2200 sq. ft. Attached product averages 1625 sq. ft.
316	$25,574	**William L. Berry & Co.** 6701 Democracy Blvd. Bethesda, MD 20817	Key Exec: William L. Berry. Sold 33 SFD houses for $15,601,342. Sold 63 attached houses for $9,972,496. SFD product averages 2600 sq. ft. Attached product averages 2300 sq. ft. Subsidiaries: Samuel A. Finz Co. Last year, company ranked #365.
317	$25,348	**Frank Robino & Associates** 5189 W. Woodmill Drive, #30 Wilmington, DE 19808	Key Exec: Paul A. Robino. Sold 37 SFD houses for $5,325,025. Sold 103 attached houses for $11,595,882. Built 72 apartments for $3,600,000. Non-res: $2,862,452. Rents & fees: $1,733,382. Land sales: $50,000. Other income: $180,880. SFD product averages 2100 sq. ft.
318	$25,332	**Prometheus Development Co.** 2600 Campus Drive, #200 San Mateo, CA 94403	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 32 SFD houses for $10,240,000 and built 196 apartments for $15,092,000. Land sales: $65,000,000. Key Exec: Sanford Diller. SFD product averages 1800 sq. ft. Last year, company ranked #83.
319	$25,000	**Homes by Dave Brown** 2164 E. Broadway Road, #300 Tempe, AZ 85282	Key Exec: David M. Brown. Sold 252 single-family-detached houses for $25,000,000. SFD product averages 1750 sq. ft. Last year, company ranked #295.
319	$25,000	**Stafford Homes** 16016 118 Place N.E. Bothell, WA 98011	Key Exec: Brien Stafford. Sold 128 single-family-detached houses for $25,000,000. Single-family-detached product averages 2000 sq. ft. Last year, company ranked #362.
319	$25,000	**NewCity Corp.** 2109 W. Bullard #161 Fresno, CA 93711	Key Exec: Donald S. Pitarre. Sold 188 single-family-detached houses for $25,000,000. Single-family-detached product averages 1800 sq. ft.
322	$24,860	**Daly Homes** 41661 Enterprise Circle N. Temecula, CA 92390	Key Exec: A. Cadry Genena. Sold 146 single-family-detached houses for $24,860,000. Single-family-detached product averages 2050 sq. ft. Subsidiaries: Daly Homes of Nevada. Last year, company ranked #441.
323	$24,800	**Cali Associates** 11 Commerce Drive Cranford, NJ 07016	Key Exec: John J. Cali. Sold 94 attached houses for $15,000,000. Land sales: $9,800,000. Attached product averages 2000 sq. ft.
323	$24,800	**Haddon Group** 8629 Mathis Ave. Manassas, VA 22110	Key Exec: John Heppe. Sold 20 SFD houses for $3,600,000. Sold 174 attached houses for $21,200,000. Single-family-detached product averages 2100 sq. ft. Attached product averages 1200 sq. ft.
325	$24,771	**Elam G. Stoltzfus** 474 Mt. Sidney Road Lancaster, PA 17602	Key Exec: Elam G. Stolzfus Jr. Sold 130 SFD houses for $19,554,800. Sold 24 attached houses for $2,075,000. Built 49 apartments for $2,773,600. Remodeling: $367,300. SFD product averages 2000 sq. ft. Attached product averages 1200 sq. ft. Last year, company ranked #340.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Shore West, Mastermark Make Their Debut Among Top 400

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
326	$24,600	**California Community Builders** 233 Wilshire Blvd. Santa Monica, CA 90401	Key Exec: W.A. Fruehling. Sold 119 single-family-detached houses for $24,600,000. Single-family-detached product averages 2600 sq. ft. Last year, company ranked #342.
327	$24,344	**Marrano/Marc Equity Co.** 2730 Transit Road Buffalo, NY 14884	Key Exec: Patrick Marrano. Sold 136 SFD houses for $22,801,000. Sold 12 attached houses for $1,543,000. SFD product averages 2350 sq. ft. Attached product averages 1700 sq. ft. Last year, company ranked #304.
328	$24,000	**Barden & Robeson Homes** 26 Copeland Ave. Homer, NY 13077	Key Exec: Thomas Barden. Sold 400 SFD houses for $13,000,000. Sold 250 attached houses for $11,000,000. SFD product averages 1650 sq. ft. Attached product averages 1100 sq. ft. Last year, company ranked #379.
328	$24,000	**Shore West Construction Co.** 23820-26 Lorain Road North Olmstead, OH 44070	Key Exec: Frederick & Neil Bower. Sold 80 single-family-detached houses for $18,000,000. Sold 44 attached houses for $6,000,000.
330	$23,999	**Oberer Development Co.** 4324 Webster St. Dayton, OH 45414	Key Exec: George R. Oberer Sr. Sold 29 SFD houses for $4,632,347. Sold 59 attached houses for $6,857,906. Built 191 apartments for $5,890,656. Non-res: $189,344. Rents & fees: $4,163,579. Other income: $2,265,600. SFD product averages 1960 sq. ft.
331	$23,883	**BBC Group** 31731 Northwestern Highway Farmington Hills, MI 48334	Key Exec: Stephen J. Taglione. Sold 138 SFD houses for $18,296,155. Sold 51 attached houses for $5,356,400. Land sales: $214,596. Other income: $16,260. SFD product averages 1900 sq. ft. Attached product averages 1650 sq. ft. Last year, company ranked #380.
332	$23,800	**Gibraltar Cos.** 2840 Plaza Place, #205 Raleigh, NC 27612	Key Exec: David Riese. Sold 16 single-family-detached houses for $1,760,000. Built 375 apartments for $21,365,000. Remodeling: $320,000. Rents & fees: $355,000.
333	$23,791	**Waterloo Inc.** 7447 Bee Caves Road, #100 Austin, TX 78746	Key Exec: Michael Grimm. Sold 149 single-family-detached houses for $23,791,000. Last year, company ranked #341.
334	$23,648	**Don Galloway Homes** 11231 Carmel Commons Blvd. Charlotte, NC 28226	Key Exec: Don A. Galloway. Sold 206 SFD houses for $23,473,600. Rents & fees: $112,700. Other income: $62,100. Single-family-detached product averages 1900 sq. ft. Last year, company ranked #364.
335	$23,246	**Channing Corp.** 11 Via Verona Palm Beach Garden, FL 33418	Key Exec: Joel B. Channing. Sold 131 single-family-detached houses for $23,246,000. Single-family-detached product averages 1850 sq. ft. Last year, company ranked #416.
336	$23,200	**Lundgren Brothers** 935 E. Wayzata Blvd. Wayzata, MN 55391	Key Exec: Peter Pflaum. Sold 90 SFD houses for $22,700,000. Remodeling: $500,000. Single-family-detached product averages 2500 sq. ft. Subsidiaries: Brush Masters. Last year, company ranked #409.
337	$23,000	**E.M. Harris Building** 1749 Gilsinn Fenton, MO 63026	Key Exec: Frank M. Ganninger. Sold 85 SFD houses for $14,000,000. Built 50 apartments for $3,000,000. Non-res: $6,000,000. SFD product averages 2000 sq. ft. Subsidiaries: Harris Distributing. Last year, company ranked #446.
337	$23,000	**Classic Construction** 7001 Orchard Lake Road West Bloomfield, MI 48322	Key Exec: Sam Blumenstein. Sold 110 SFD houses for $16,500,000. Sold 60 attached houses for $6,500,000. SFD product averages 1600 sq. ft. Attached product averages 1150 sq. ft.
339	$22,960	**Newport Pacific Development** 4400 McArthur Blvd., 9th floor Newport Beach, CA 92660	Key Exec: Al Marshall. Sold 132 SFD houses for $17,160,000. Sold 65 attached houses for $5,800,000. Attached product averages 950 sq. ft. Subsidiaries: Newport Pacific Architecture. Last year, company ranked #115.
340	$22,632	**Remington Properties** 30011 Ivy Glen Drive, #102 Laguna Niguel, CA 92677	Key Exec: Jamie M. Pirrello. Sold 76 SFD houses for $19,541,000. Land sales: $2,294,000. Other income: $797,000. SFD product averages 2500 sq. ft. Subsidiaries: Remington Oakwood, Remington Monarch Beach.
341	$22,500	**Mastermark Homebuilders Ltd.** 1211 Highway 6 North Houston, TX 77084	Key Exec: Robert Hutchins. Sold 140 single-family-detached houses for $22,500,000.
342	$22,320	**Hearndon/Rosewell Cos.** 2010 Old Greenbrier Rd. Chesapeake, VA 23320	Key Exec: William Hearring/Paul Farrell. Sold 113 SFD houses for $12,220,625. Sold 30 attached houses for $2,136,030. Rents & fees: $4,540,557. Land sales: $3,192,779. Other income: $229,596. SFD product averages 2000 sq. ft. Attached product averages 1340 sq. ft.
343	$22,128	**Crisp-Lingerfelt Co.** 9440 Phillips Hwy., #1 Jacksonville, FL 32256	Key Exec: Bruce A. Lingerfelt. Sold 161 single-family-detached houses for $20,686,057. Land sales: $1,442,000. SFD product averages 1998 sq. ft. Last year, company ranked #390.
344	$22,118	**Manning Co.** 20201 S.W. Burch, #200 Santa Ana Heights, CA 92707	Key Exec: James C. Manning. Sold 74 single-family-detached houses for $17,231,877. Sold 31 attached houses for $4,270,680. Rents & fees: $615,000. Last year, company ranked #275.
345	$21,875	**Pacesetter Homes** 4540 Campus Drive Newport Beach, CA 92660	Key Exec: John Klug. Sold 125 single-family-detached houses for $21,875,000. Single-family-detached product averages 1900 sq. ft. Subsidiaries: Pacesetter Development. Last year, company ranked #272.
346	$21,750	**Burnside Construction Co.** 2400 Wisconsin Ave. Downers Grove, IL 60515	Key Exec: George Arquilla III. Sold 78 SFD houses for $11,800,000. Sold 38 attached houses for $4,300,000. Non-res: $5,500,000. Rents & fees: $50,000. Land sales: $100,000. SFD product averages 1800 sq. ft. Attached product averages 1250 sq. ft. Subsidiaries: Coronado.
347	$21,524	**Kit Manufacturing** P.O. Box 848 Long Beach, CA 90801	Key Exec: Dan Pocapalia. Sold 729 mobile homes for $21,524,000. Single-family-detached product averages 1500 sq. ft. Last year, company ranked #387.
348	$21,500	**Contempri Homes** Stauffer Industrial Park Taylor, PA 18504	Key Exec: George West. Sold 622 manufactured housing units (modular, panelized or precut) for $20,890,000. Non-res: $610,000. Parent firm: ESI Inc., Plano, Texas. Last year, company ranked #374.
349	$21,400	**Wooldbridge Organization** 1500 Green Hill Road West Chester, PA 19380	Key Exec: Robert E. Wooldbridge. Sold 31 single-family-detached houses for $10,700,000. Sold 30 attached houses for $10,700,000. Last year, company ranked #332.
350	$21,355	**Kevin Scarborough Inc.** 10 Foster Ave., #A-1 Gibbsboro, NJ 08026	Key Exec: Kevin Scarborough. Sold 125 SFD houses for $18,625,000. Sold 16 attached houses for $1,520,000. Rents & fees: $10,000. Land sales: $1,200,000. SFD product averages 2400 sq. ft. Attached product averages 1500 sq. ft. Last year, company ranked #407.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

New Giants Include Heritage, Hennie Homes And Ericksen

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
351	$21,200	**Hennie Homes** 28867 Lorain Road North Olmstead, OH 44070	Key Exec: Rocco H. Puzzitiello Jr. Sold 56 single-family-detached houses for $16,800,000. Sold 20 attached houses for $2,300,000. Rents & fees: $2,100,000.
352	$21,000	**United Bilt Homes** P.O. Box 4346 Shreveport, LA 71134	Key Exec: Donald R. Pitts. Sold 450 single-family-detached houses for $18,000,000. Other income: $3,000,000. Subsidiaries: United Builders & Supply.
352	$21,000	**Arco Construction** 25200 Telegraph, #410 Southfield, MI 48034	Key Exec: Arnold Cohen. Built 600 apartments for $21,000,000.
354	$20,913	**Enterprise Development** 710 W. Oakdale Chicago, IL 60657	Key Exec: Ronald B. Shipka. Sold 100 attached houses for $12,100,535. Non-res: $450,000. High-rise residential: $4,500,000. Rents & fees: $3,862,053. Last year, company ranked #378.
355	$20,760	**Bay Ridge Properties** 12210 140th Ave. NE Redmond , WA 98052	Key Exec: Andy Welch. Built 340 apartments for $20,000,000. Rents & fees: $760,000. Last year, company ranked #262.
356	$20,611	**Encore Homes** 7300 Whipple Ave. NW North Canton, OH 44720	Key Exec: Thomas C. Grisez. Sold 107 SFD houses for $15,215,891. Built 64 apartments for $2,750,000. Rents & fees: $2,308,242. Other income: $336,934. Single-family-detached product averages 2700 sq. ft.
357	$20,580	**Heritage Cos.** 101 George King Blvd., #4 Cape Canaveral, FL 32920	Key Exec: Michael McPhillips. Built 1917 apartments for $20,580,240. Remodeling: $38,529,447. Subsidiaries: Heritage Rural Housing.
358	$20,500	**Triangle Developers** 450 S.W. 88th Terrace Hollywood, FL 33025	Key Exec: Robert Kramer. Built 278 apartments for $17,000,000. Remodeling: $500,000. Rents & fees: $3,000,000. Subsidiaries: Windhill Lakes, Tivoli Lakes.
359	$20,150	**Fischer & Frichtel** 7 The Pines Court, #B St. Louis, MO 63141	Key Exec: John Fischer. Sold 90 single-family-detached houses for $20,000,000. Remodeling: $150,000. Last year, company ranked #363.
360	$20,025	**Ericksen Communities** 6318 Trail Blvd. Naples, FL 33963	Key Exec: Grover Ericksen. Sold 25 SFD houses for $6,000,000. Sold 83 attached houses for $14,025,370. Single-family-detached product averages 1900 sq. ft. Attached product averages 1800 sq. ft.
361	$20,000	**California Homes** 3031 W. March Lane, #1 Stockton, CA 95219	Key Exec: Pat Matthews. Sold 140 single-family-detached houses for $20,000,000. Single-family-detached product averages 1700 sq. ft. Last year, company ranked #405.
361	$20,000	**Sam Rodgers Enterprises** P.O. Box 90069 Lakewood, FL 33804	Key Exec: Sam Rodgers. Sold 220 single-family-detached houses for $20,000,000. Single-family-detached product averages 1500 sq. ft. Attached product averages 1700 sq. ft.
363	$19,923	**Columbia Builders** P.O. Box 999 Columbia, MD 21044	Key Exec: B.J. Greenfield. Sold 36 SFD houses for $10,342,000. Sold 59 attached houses for $9,544,000. Other income: $37,000. SFD product averages 3365 sq. ft. Attached product averages 2200 sq. ft. Last year, company ranked #402.
364	$19,836	**Home By Hemphill** 330 W. Frontage Road Northfield, IL 60093	Key Exec: James D. Hemphill. Sold 71 SFD houses for $14,357,672. Sold four attached houses for $374,987. Rents & fees: $9132. Land sales: $5,093,919. SFD product averages 2300 sq. ft. Attached product averages 1600 sq. ft. Last year, company ranked #327.
365	$19,753	**Community Construction** 531 California Ave. Bakersfield, CA 93304	Key Exec: James R. Trigueiro. Sold 109 SFD houses for $15,879,414. Non-res: $379,399. Rents & fees: $697,385. Land sales: $2,331,360. Other income: $465,552. SFD product averages 1800 sq. ft. Last year, company ranked #382.
366	$19,616	**Michael T. Rose Inc.** P.O. Box 40 Laurel, MD 20707	Key Exec: Michael T. Rose. Sold 12 SFD houses for $5,621,000. Sold 26 attached houses for $4,707,000. Rents & fees: $1,500,000. Land sales: $7,787,500. SFD product averages 2200 sq. ft. Attached product averages 2000 sq. ft. Last year, company ranked #368.
367	$19,600	**Grayson Homes** 9025 Chevrolet Drive, #K Ellicott City, MD 21043	Key Exec: Floyd F. Grayson Jr. Sold 80 single-family-detached houses for $17,400,000. Sold 15 attached houses for $2,200,000. Last year, company ranked #386.
368	$19,403	**Crosland Contractors** 135 Scaley Bark Road Charlotte, NC 28209	Key Exec: Richard Maleady. Sold 40 SFD houses for $1,624,000. Sold two attached houses for $100,000. Built 603 apartments for $17,071,000. Remodeling: $608,000. SFD product averages 1400 sq. ft. Attached product averages 1348 sq. ft. Last year, company ranked #391.
369	$19,210	**Radnor Homes** 5544 Fraklin Road, #100 Nashville, TN 37220	Key Exec: David C. McGowan Jr. Sold 91 SFD houses for $14,500,000. Sold 31 attached houses for $3,500,000. Non-res: $900,000. Rents & fees: $60,000. Land sales: $250,000. SFD product averages 3200 sq. ft. Attached product averages 2000 sq. ft.
370	$18,999	**Pacific American Homes** One Summerside Place, #114 Dallas, TX 75252	Key Exec: Coleman Bradley. Sold 125 single-family-detached houses for $18,998,750. Single-family-detached product averages 2717 sq. ft.
371	$18,844	**Panitz Homes** 3020 Hartley Road, #200 Jacksonville, FL 32257	Key Exec: Leon J. Panitz Jr. Sold 206 single-family-detached houses for $18,843,531. Single-family-detached product averages 1900 sq. ft. Last year, company ranked #433.
372	$18,840	**Reynolds Construction** 111 S. Marshall St., #201 El Cajon, CA 92020	Key Exec: Mike Reynolds. Sold 32 SFD houses for $8,704,000. Sold 74 attached houses for $9,694,000. Rents & fees: $67,000. Land sales: $375,000. SFD product averages 2115 sq. ft. Attached product averages 1381 sq. ft. Last year, company ranked #398.
373	$18,631	**National Building Systems** 2301 S. Banker Effingham, IL 62401	Key Exec: L.W. McKenzie. Sold 1508 manufactured housing units (modular, panelized or precut) for $18,183,399. Non-res: $447,309. Subsidiaries: National Building Systems. Last year, company ranked #212.
374	$18,584	**Good Value Homes** 1460 93rd Lane, N.E. Blaine, MN 55434	Key Exec: Betty Hardle. Sold 129 SFD houses for $11,913,000. Sold 52 attached houses for $3,612,600. Rents & fees: $86,600. Land sales: $2,567,600. Other income: $403,811. SFD product averages 1400 sq. ft. Attached product averages 1200 sq. ft. Last year, ranked #369.
375	$18,440	**John Cooley Co.** 36250 Dequindre, #200 Sterling Heights, MI 48310	Key Exec: Dale N. Scrace. Built 259 apartments for $14,200,000. Remodeling: $4,000,000. High-rise residential: $240,000. Parent firm: Dart Properties. Last year, company ranked #347.

PB&R'S ANNUAL REPORT OF HOUSING'S GIANTS®

Choice, Teal And Spinelli Are New Giants To Watch

RANK BY REVENUES $ (000)		COMPANY, LOCATION	OPERATING PLAN
376	$18,352	**Choice Homes** P.O. Box 1048 Arlington, TX 76004	Key Exec: Dale LeMaster. Sold 276 single-family-detached houses for $18,351,838. Single-family-detached product averages 1470 sq. ft.
377	$18,350	**Whitlatch & Co.** 10800 Ravenna Road Twinsburg, OH 44087	Key Exec: William Whitlatch. Sold 33 SFD houses for $4,900,000. Sold 125 attached houses for $13,000,000. Non-res: $300,000. Land sales: $150,000. SFD product averages 2000 sq. ft. Attached product averages 1500 sq. ft.
378	$18,325	**Burkart & Oehlerking** 14 N. 808 Route 25 East Dundee, IL 60118	Key Exec: Richard J. Burkart. Sold 80 SFD houses for $12,800,000. Sold 30 attached houses for $3,700,000. Non-res: $1,000,000. Rents & fees: $825,000. SFD product averages 2200 sq. ft. Attached product averages 1400 sq. ft. Last year, company ranked #375.
379	$18,290	**EPAC Housing Corp.** 3070 Bristol St., #520 Costa Mesa, CA 92626	Key Exec: Rick Doremus. Sold 38 single-family-detached houses for $10,120,000. Sold 90 attached houses for $8,170,000. Subsidiaries: EPAC Development. Last year, company ranked #438.
380	$18,000	**Schneider Homes** 6510 S. Center Blvd. 1 Seattle, WA 98188	Key Exec: Gerald Schneider. Sold 46 single-family-detached houses for $10,600,000. Sold 45 attached houses for $7,400,000. Last year, company ranked #293.
381	$17,980	**Golden Heritage Corp.** 7975 N. Hayden Road Scottsdale, AZ 85258	Key Exec: John C. Pew. Sold 109 single-family-detached houses for $17,980,000. Single-family-detached product averages 2400 sq. ft. Last year, company ranked #421.
382	$17,872	**Glick Co.** 8330 Woodfield Crossing Blvd. Indianapolis, IN 46240	Key Exec: Eugene Glick. Built 172 apartments for $11,272,000. Rents & fees: $6,600,000. Subsidiaries: Mount Vernon Inc. Last year, company ranked #473.
383	$17,700	**Spinelli Homes** 9210 Vanguard, #102 Anchorage, AK 99507	Key Exec: Charles Spinelli. Sold 130 single-family-detached houses for $17,699,995. Single-family-detached product averages 1800 sq. ft.
384	$17,514	**Friedman Homes** 10807 Laurel Rancho Cucamonga, CA 91730	Key Exec: Paul Friedman. Sold 73 single-family-detached houses for $12,314,000. Land sales: $5,200,000. Single-family-detached product averages 2000 sq. ft. Last year, company ranked #371.
385	$17,450	**J.B. Sandlin Homes** 5137 Davis Blvd. Ft. Worth, TX 76118	Key Exec: J.B. Sandlin. Sold 90 SFD houses for $13,500,000. Remodeling: $300,000. Non-res: $3,000,000. Rents & fees: $150,000. Land sales: $500,000. Single-family-detached product averages 2400 sq. ft.
386	$17,340	**Greater Midwestern Dev.** P.O. Box 528 Naperville, IL 60566	Key Exec: James K. Oehlberg. Sold 81 SFD houses for $11,340,000. Sold 60 attached houses for $6,000,000. Single-family-detached product averages 1800 sq. ft. Attached product averages 1200 sq. ft.
387	$17,288	**Sun State Homes** 4110 Florida Ave. Lakeland, FL 33803	Key Exec: Donald K. Stephens. Sold 205 SFD houses for $15,303,250. Built 15 apartments for $1,215,000. Rents & fees: $620,000. Land sales: $150,000. SFD product averages 1700 sq. ft. Subsidiaries: Palm State Development.
388	$17,250	**Teal Building Corp.** 8600 Staples Mill Road Richmond , VA 23228	Key Exec: Thomas Teal. Sold 135 single-family-detached houses for $17,250,000. Single-family-detached product averages 1800 sq. ft.
389	$17,200	**Fish Construction** 10605 Balboa Blvd. Grenada Hills, CA 91344	Key Exec: Emil Fish. Sold 24 single-family-detached houses for $7,000,000. Built 80 apartments for $7,000,000. Rents & fees: $3,200,000. Single-family-detached product averages 2400 sq. ft.
390	$17,025	**Iacobucci Organization** 2 EF Raymond Drive Havertown, PA 19083	Key Exec: Frank Iacobucci. Sold 39 SFD houses for $5,871,935. Sold 54 attached houses for $5,906,155. Rents & fees: $5,246,467. SFD product averages 1400 sq. ft. Attached product averages 1280 sq. ft. Subsidiaries: Crandel Corp., Glenhill Builders, Kendel Development.
391	$17,000	**Fairfield Communities** 2800 Cantrell Road Little Rock, AR 72203	*Professional Builder & Remodeler* estimates that in 1991, this firm sold 100 SFD houses for $17,000,000. Key Exec: John W. McConnell. Subsidiaries: Fairfield Green Valley; Fairfield Sunrise Village. Last year, company ranked #199.
392	$16,200	**Poretsky Building Group** 7900 Westpark Drive, Atrium 200 McLean, VA 22102	Key Exec: Martin H. Poretsky. Sold 24 SFD houses for $7,200,000. Sold 62 attached houses for $9,000,000. Single-family-detached product averages 3000 sq. ft. Attached product averages 1600 sq. ft.
393	$16,161	**WesTrend Corp.** 23671 Birtcher Drive Lake Forest, CA 92630	Key Exec: Gordon Youde. Sold 87 single-family-detached houses for $16,160,619. Last year, company ranked #277.
394	$16,046	**Owen Construction** 2035 S. Myrtle Ave. Monrovia, CA 91016	Key Exec: Rick J. Owen. Sold 25 single-family-detached houses for $15,929,000. Rents & fees: $117,000. Single-family-detached product averages 2200 sq. ft. Last year, company ranked #359.
395	$16,000	**The Jonathon Group** 5000 Executive Parkway, #490 San Ramon, CA 94583	Key Exec: Gary Chase. Sold 110 single-family-detached houses for $16,000,000.
396	$15,577	**R/S Development Co.** 12A Sunset Way Henderson, NV 89014	Key Exec: Randell T. Schaefer. Sold 106 single-family-detached houses for $15,507,904. Other income: $69,407. Single-family-detached product averages 2072 sq. ft.
397	$15,500	**Ferruggia Associates** 31-F Mountain Blvd. Warren, NJ 07060	Key Exec: Charles Ferruggia Jr. Sold 23 single-family-detached houses for $15,000,000. Rents & fees: $500,000. Last year, company ranked #445.
398	$15,464	**L.J. Hooker Homes** 6000 Live Oak Parkway, #113 Norcross, GA 30093	Key Exec: Peter Joyce. Sold 81 SFD houses for $8,354,000. Land sales: $7,110,000. Single-family-detached product averages 2000 sq. ft. Parent firm: Hooker Corp., Atlanta. Last year, company ranked #201.
399	$15,100	**Parade Home Builders** 2468 Savox St. Birmingham, AL 35226	Key Exec: Moiz Foulad. Sold 20 single-family-detached houses for $15,100,000. Single-family-detached product averages 5500 sq. ft.
400	$15,075	**Broadmoor Homes** 5405 Oberlin Drive San Diego, CA 92121	Key Exec: George J. Nicholas. Sold 59 single-family-detached houses for $13,275,000. Rents & fees: $1,800,000. Single-family-detached product averages 2500 sq. ft. Last year, company ranked #306.

PB&R's 25th Annual Report

INDEX OF GIANTS

A.

RANK	COMPANY NAME
64.	A-M Homes
305.	Acacia Construction
61.	Ahmanson Dev.
125.	Akins Development Co.
270.	All American Homes
100.	American West Dev.
145.	AMPEP Corp.
207.	Amurcon Corp. of Virginia
34.	Anden Group
284.	April Corp.
352.	Arco Construction
301.	Arker Cos.
146.	Artery Organization
53.	Arthur Rutenberg Homes
193.	Arvida

B.

RANK	COMPANY NAME
29.	Baldwin Co.
328.	Barden & Robeson Homes
72.	Barratt American
355.	Bay Ridge Properties
331.	BBC Group
85.	Beazer Properties
222.	Bennett & Compton
316.	Berry (William L.) & Co.
297.	Blitman Building Corp.
110.	Borror Corp.
39.	Boston Capital Partners
251.	Bovis Homes
173.	Bozzuto & Associates
260.	Braemar Homes
51.	Bramalea California
157.	Bresler & Reiner
282.	Brighton Homes
150.	Brisben (W.O.) Cos.
400.	Broadmoor Homes
200.	Buie Corp.
378.	Burkart & Oehlerking
346.	Burnside Construction Co.

C.

RANK	COMPANY NAME
323.	Cali Associates
326.	California Community Builders
361.	California Homes
307.	Calprop Corp.
78.	Calton
82.	Cambridge Homes
259.	Canuso (John B.) Inc.
132.	Casden Properties
30.	Castle & Cooke Properties
134.	Cavalier Homes
280.	Cayman Development
1.	Centex Corp.
119.	Century Homes Communities
35.	Champion Enterprises
335.	Channing Corp.
376.	Choice Homes
279.	Christopher Cos.
263.	Ciotti Cos.
307.	Citation Builders
337.	Classic Construction
45.	Clayton Homes
114.	Coleman Homes
313.	Colony Homes
42.	Colson & Colson Construction
363.	Columbia Builders
103.	Commodore Corp.
286.	Communities Const. Corp.
365.	Community Construction
143.	Condiotti Enterprises
348.	Contempri Homes
41.	Continental Homes Holding
375.	Cooley (John) Co.
92.	Cooper Communities
20.	Coscan Development Corp.
287.	Costain Homes
184.	Covington Dev. Group
343.	Crisp-Lingerfelt Co.
368.	Crosland Contractors
153.	Crosswinds Communities

D.

RANK	COMPANY NAME
113.	D.G. Associates
67.	D.R. Horton
155.	D.W. Hutson Construction
322.	Daly Homes
120.	David Cutler Group
28.	David Weekley Homes
142.	Davidson Communities
223.	Davis Homes L.P.
32.	Del Webb Corp.
310.	DeLuca Enterprises
226.	Deluxe Homes
171.	DeLuxe Homes of PA
147.	Di Loreto Construction
224.	Diversified Homes
156.	Dividend Dev. Corp.
130.	DiVosta & Co.
272.	Dobson (C. Richard) Builders
311.	Drake Homes
40.	Drees Co.
144.	Dunmore Homes

E.

RANK	COMPANY NAME
88.	Elliott Homes
138.	Embrey Associates
356.	Encore Homes
115.	Engle Homes
354.	Enterprise Dev. Co.
379.	EPAC Housing Corp.
208.	Epoch Properties
360.	Ericksen Communities
270.	Estes Home Building Co.
202.	Estridge Cos.
209.	Evans Withycombe
264.	Ewing Properties

F.

RANK	COMPANY NAME
391.	Fairfield Communities
54.	Fairmont Homes
129.	Falcon Dev. Corp.
397.	Ferruggia Associates
16.	Fieldstone Co.
261.	First Financial Group
359.	Fischer & Frichtel
161.	Fischer (Henry) Builder
389.	Fish Construction Co.
8.	Fleetwood Enterprises
148.	Flournoy Construction
59.	Forecast Group
66.	Forest City Enterprises
229.	Frankel Enterprises
384.	Friedman Homes
168.	Fuqua Homes

G.

RANK	COMPANY NAME
140.	The Gables Dev. Co.
228.	G.L. Homes of Florida
334.	Galloway (Don) Homes
257.	Garden State Land Co.
69.	GBW Properties
178.	General Homes Corp.
253.	Genesee Co.
52.	Gentry Homes
332.	Gibraltar Cos.
382.	Glick Co.
381.	Golden Heritage Corp.
124.	Golden West Homes
19.	Goldrich & Kest Industries
374.	Good Value Homes
211.	Goodman Homes
267.	Grant Cos.
367.	Grayson Homes
386.	Greater Midwestern Dev. Co.
196.	Gregory Group
90.	Griffin Homes
212.	Grupe Co.
214.	Guerdon Homes
307.	Gulf Constructors

H.

RANK	COMPANY NAME
187.	Habitat For Humanity
323.	Haddon Group
295.	Hal Porter Homes
303.	Hammonds Homes
256.	Hansen & Horn Group
79.	Harkins Builders
213.	Harmon Cos.
337.	Harris (E.M.) Bldg.
91.	Hassinger Cos./Hoffman Homes
281.	Hayden Co.
233.	Hazel/Peterson Cos.
342.	Hearndon/Rosewell Cos.
351.	Hennie Homes
357.	Heritage Cos.
303.	Heritage Cos.
71.	Highland Homes
244.	Hill Williams Dev. Corp.
194.	Hills Developers
65.	Hofmann Co.
269.	Holiday Builders
101.	Holly Corp.
46.	Holtzman & Silverman Const.
364.	Home By Hemphill
55.	Home Capital Dev. Group
319.	Homes by Dave Brown
136.	Homes of Merit
398.	Hooker (L.J.) Homes
84.	Horton Homes
17.	Hovnanian Enterprises
167.	Hughes-Patwil Homes
49.	Hunt Building Corp.

I.

RANK	COMPANY NAME
390.	Iacobucci Organization
139.	Inco Homes
199.	Interstate General Co.
258.	ITT Community Homes
239.	Ivory Homes

J.

RANK	COMPANY NAME
268.	Jacobsen Manufacturing
160.	James Lewis Corp.
205.	JCC Development
33.	Jim Walter Homes
206.	Joe Keim Builders
216.	Joe Miller Homes
154.	John LaFata Ltd.
238.	John Mourier Construction
395.	The Jonathon Group
133.	Jones (J.E.) Const. Co.

K.

RANK	COMPANY NAME
2.	Kaufman and Broad
234.	Kennedy Group (Fla.)
290.	Kennedy Group (Ill.)
204.	Kensington Building Corp.
247.	Kettler Forlines Inc.
56.	Kimball Hill
314.	Kirk Corp.
347.	Kit Manufacturing Co.
201.	Kling Real Estate Ltd.
248.	Klutts Homes
218.	Kopf Construction Corp.

RANK COMPANY NAME

L.

181. Laing (John) Homes
75. Landstar Homes
195. Larwin Construction Co.
300. Legacy Homes
15. Lennar Corp.
126. Levitt Corp.
10. Lewis Homes Group of Cos.
36. Lexington Homes Inc.
121. Lexington Homes
190. Liberty Homes
291. Life Forms
87. Lincoln Property Co.
237. Lindal Cedar Homes
118. Lowder Construction Co.
336. Lundgren Bros. Const.
26. Lusk Co.
96. Lycon Group
6. Lyon (William) Co.

M.

21. M.D.C. Holdings
344. Manning Co.
327. Marrano/Marc Equity Co.
341. Mastermark Homebuilders Ltd.
296. Matzel & Mumford Organization
254. Mayer Homes
109. McBail Co.
182. McBride & Son Enterprises
219. McComic (R.B.)
166. McGuyer Homebuilders
58. McMillin Communities
292. McStain Enterprises
95. Meeker Dev. Co.
285. Melody Homes
170. Mercedes Homes
302. Michaels Group
158. Milburn Investments
240. Miller and Smith Cos.
151. Mitchell Co.
236. MJC Construction Co.
315. Montalbano Builders
293. Monterey Homes
299. Moore (Harold) Associates
276. Morgan (The C.P.) Co.
70. Morris General Building Co.
246. Mungo Co./Stonehedge Const.

N.

105. Nanticoke Homes
373. National Building Systems
242. Neal, Buskirk & Adams Communities
220. New Fortis Corp.
319. NewCity Corp.
288. Newhall Land & Farming Co.

RANK COMPANY NAME

108. Newmark Home Corp.
339. Newport Pacific Dev.
265. North American Housing Corp.
5. NVR L.P.

O.

48. Oakwood Homes Corp.
330. Oberer Dev. Co.
185. Orange Blossom Hills
106. Oriole Homes Corp.
104. Orleans Cos.
394. Owen Construction
162. Owings & Terry Homebuilding

P.

345. Pacesetter Homes
370. Pacific American Homes
12. Pacific Properties
63. Pacific Scene
276. PacWest Development
62. Palm Harbor Homes
371. Panitz Homes
399. Parade Home Builders
122. Paragon Group
188. Paragon Homes
262. Park Myers Group
275. Parker Lancaster Corp.
128. Pasquinelli Construction Co.
191. Patriot Homes
177. Pembroke Enterprises
282. Pennhill Co.
57. Perry Homes
37. Peters (J.M.) Co.
4. PHM Corp. (Pulte)
176. Picerne Properties
273. Pinn Brothers Construction
392. Poretsky Building Group
163. Post Properties
225. Premier Group
31. Presley Cos.
318. Prometheus Dev. Co.

Q.

123. Quaker Group Builders

R.

396. R/S Development Co.
369. Radnor Homes
94. Rayco
117. Realen Homes
215. Red Seal Dev. Corp.
22. Redman Homes

RANK COMPANY NAME

210. Regency Homes
179. Regis Homes
340. Remington Properties
372. Reynolds Construction
183. RGC (RecreActions Group)
149. Richmarr Construction Corp.
249. Ritz-Craft Corp.
180. Roberts Properties
60. Robertson Homes
317. Robino (Frank) & Associates
74. Robson Communities
361. Rodgers (Sam) Enterprises
289. Rose (Edward) Building Ent.
386. Rose (Michael T.)
197. Rottlund Co.
189. Royce Homes
241. RWS Development Corp.
175. Ryder Homes
3. Ryland Group

S.

159. S&A Custom Built Homes
385. Sandlin (J.B.) Homes
350. Scarborough (Kevin)
380. Schneider Homes
9. Schottenstein (M/I)
89. Schuler Homes
50. Schult Homes Corp.
251. Scott Felder Homes
232. Selective Group
13. Shapell Industries
250. Shawntana
25. Shea Homes
328. Shore West Construction Co.
112. Signature Homes (Nevada)
44. Simpson Cos.
23. Skyline Corp.
174. Spanos (A.G.) Construction
294. Spielman-Cohen Builders
383. Spinelli Homes
319. Stafford Homes
24. Standard Pacific L.P.
76. Stanley Martin Cos.
231. State Wide Investors
298. Stok Homes
325. Stoltzfus (Elam G.)
81. Summit Properties
152. Sun City Center Corp.
387. Sun State Homes
164. Sundance Homes
165. Sunland Communities
116. Sunrise Co.

T.

235. Taylor Morley
73. Taylor Woodrow Homes USA
388. Teal Building Corp.
306. Techbilt Construction
131. Thompson (Kathryn) Dev.
38. Toll Brothers
226. Tompkins Heritage Homes
98. Town & Country Homes
97. Trafalgar House Property

RANK COMPANY NAME

47. Trammell Crow Residential
221. Triad Dev.
358. Triangle Developers

U.

11. U.S. Home Corp.
14. UDC-Universal Dev.
352. United Bilt Homes
186. United Development Mgmt.
243. Universal Constructors

V.

77. Van Daele Development
111. Van Metre Cos.
68. Village Builders
217. Village Homes Ltd.

W.

102. Wallick Construction
27. Warmington Homes
86. Washington Homes
333. Waterloo
18. Watt Industries
99. Wausau Homes
266. Wayne Homes
169. Weingarten Siegel Group
312. Weitzer Services
135. West Venture Dev.
137. Western National Properties
197. Westfield Homes
393. WesTrend Corp.
7. Weyerhaeuser Real Estate
377. Whitlatch & Co.
245. Whittaker Contruction
127. Wick Building Systems
83. Wieland (John) Homes
230. Williamsburg Properties
192. Wilson (Doyle) HomeBuilder
80. Wimpey (George)
93. Winncrest Homes
255. Wiseman-Hughes Enterprises
43. Woodcrest Development
141. Woodside Homes
274. Woodview Development Co.
349. Wooldbridge Organization
278. Wynne Building Corp.

Z.

107. Zale Group
172. Zaring Homes
203. Zicka Homes

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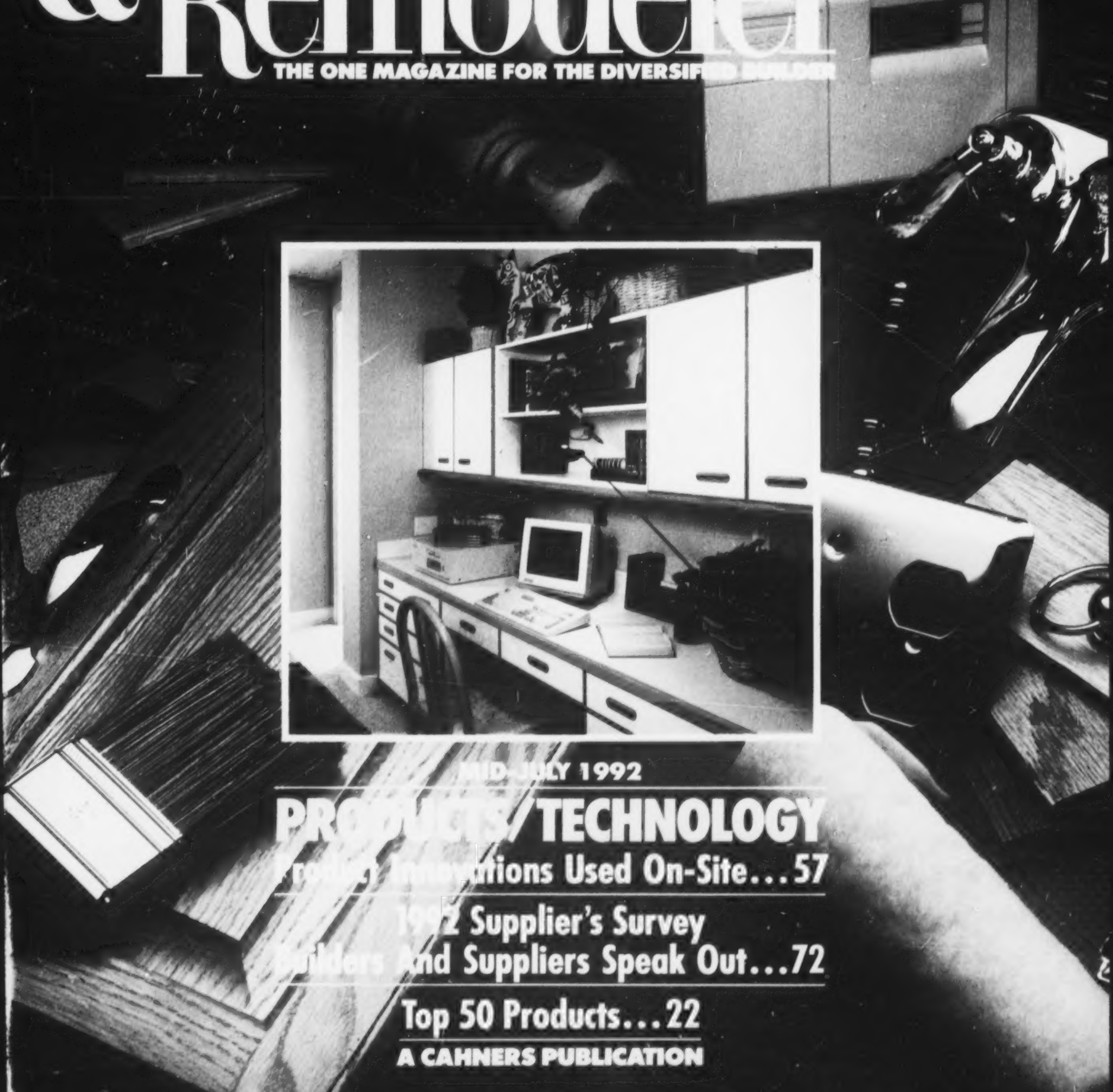

MID-JULY 1992

PRODUCTS/TECHNOLOGY

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PB&R

PRODUCTS/TECHNOLOGY ANNUAL

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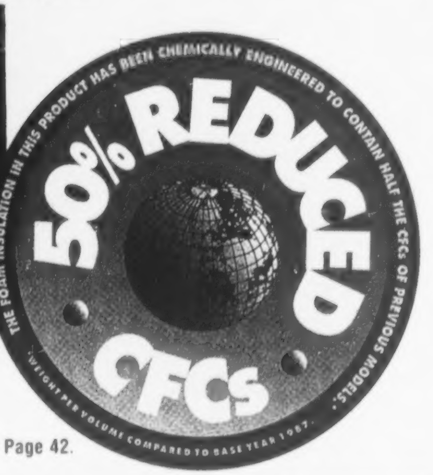
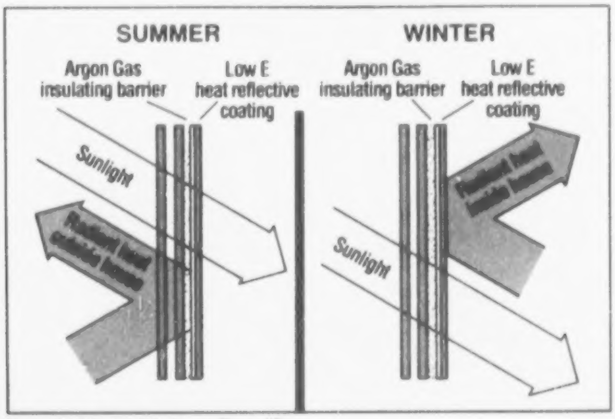

THE FOAM INSULATION IN THIS PRODUCT HAS BEEN CHEMICALLY ENGINEERED TO CONTAIN HALF THE CFCs OF PREVIOUS MODELS.*
50% REDUCED
CFCs
*WEIGHT PER VOLUME COMPARED TO BASE YEAR 1987.

Focus On Energy: Page 42.


SUMMER
WINTER
Argon Gas insulating barrier
Low E heat reflective coating
Sunlight
Argon Gas insulating barrier
Low E heat reflective coating
Sunlight

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Industry Roundtable 14

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Fifty Hot Products 22

Request in-depth manufacturer information on our magazine's 50 leading inquiry generators.

Product Critique: Healthy Homes 30

Indoor air quality is becoming one of the more controversial issues in home building. Here are ideas on producing a marketable "healthy house."

Hi-Tech Fireplaces 39

There are a variety of imaginative new ideas in this field, ranging from more realistic appearing gas-fueled stoves and fireplaces, to models that use fiber optics.

Energy Efficiency 42

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An exclusive survey identifies supply, pricing, design and marketing trends, and examines how builders and suppliers perceive each other.

Lighting Design 85

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LEMONADE
25¢

Conserving Water On-Site: Page 60.

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1992 Supplier Survey

By Susan Bady, Senior Editor, and Andrea LaFreniere, Associate Editor

Professional Builder & Remodeler *magazine published results of its second nationwide survey of suppliers and builders in the October 1987 issue.* PB&R *surveyed builders and suppliers for the third time this spring, asking their opinions about price increases, material availability and buying and selling practices. The following report is based on responses from 362 builders and 211 building material manufacturers.*

About 87% of the responding suppliers market nationally. A little less than half base 75% to 100% of their business on housing and light construction.

The survey identifies supply, pricing, design and marketing trends, and examines pricing strategies, merchandising, and how builders and suppliers perceive each other.

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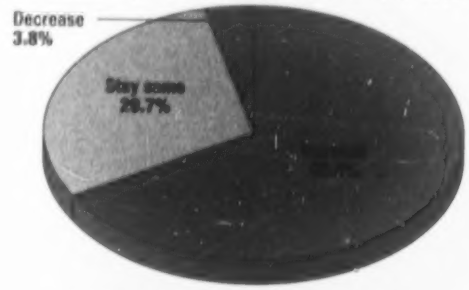
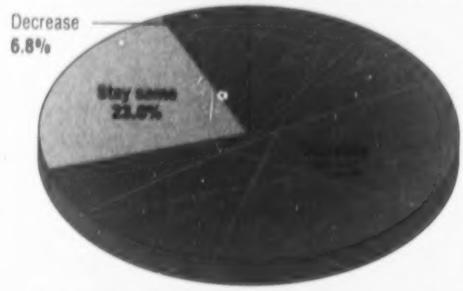
Will Prices Jump Now Or In '93?

On average, builders anticipate a 6.4% increase in material prices in 1992, and a 5.5% increase during the first six months of 1993. Most suppliers think this won't be a problem until next year, when they expect a 4.4% increase.

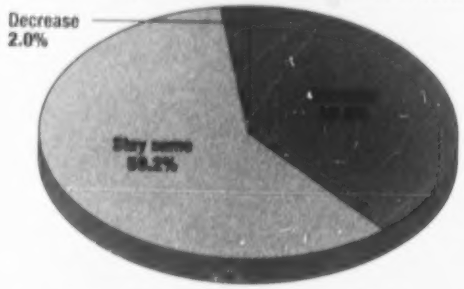
Builders' price expectations for balance of 1992



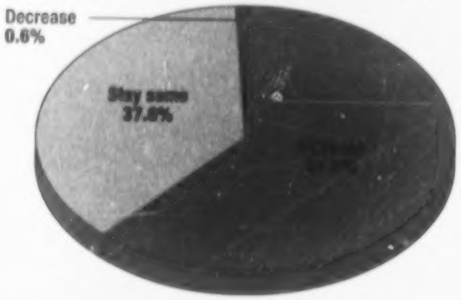
Builders' price expectations for first half of 1993



Suppliers' price expectations for balance of 1992



Suppliers' price expectations for first half of 1993



Suppliers Don't See Price Hikes Until 1993

As in the 1987 survey, builders and suppliers show the most marked disagreement on product availability and prices. Builders are more certain that price increases will take effect in 1992, while suppliers believe prices won't increase until 1993 (see charts on preceding page).

Builders are convinced there will be a shortage of wood and wood products over the next 12 months, and that the shortfall will be more pronounced than in 1987. The facts bear out the prediction: lumber prices are on the rise, and many builders are seeking alternatives such as steel-framing and engineered-wood products. Yet, 67.3% of all suppliers say availability problems won't develop in 1992.

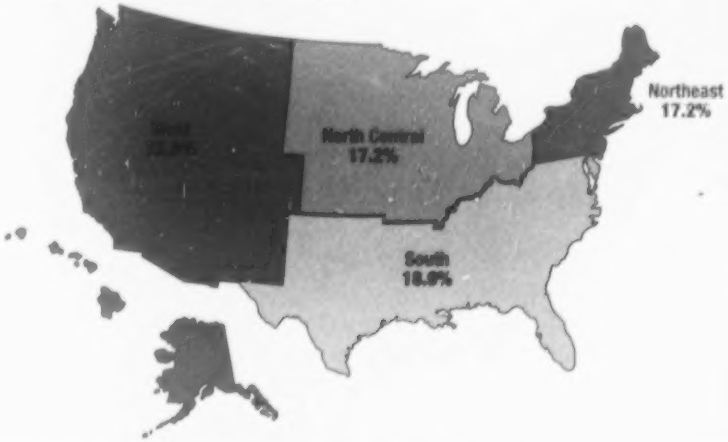
Suppliers say there will be increased emphasis on value, quality and upscale features in building products and materials over the next 12 months. They expect significant change in marketing, technology and distribution.

According to builders, the design and technology of HVAC products and environmental controls need the most improvement. Cabinets and countertops require more effective distribution and marketing. □

Shortages Foreseen In South, West

About 33% of suppliers expect shortages in their product category in the next 12 months, more so in the South and West than other regions. They anticipate the most serious shortages to develop in wood and wood products, flooring and doors.

% of suppliers who predict material shortages, by region



Supply Of Wood And Wood Products Will Tighten

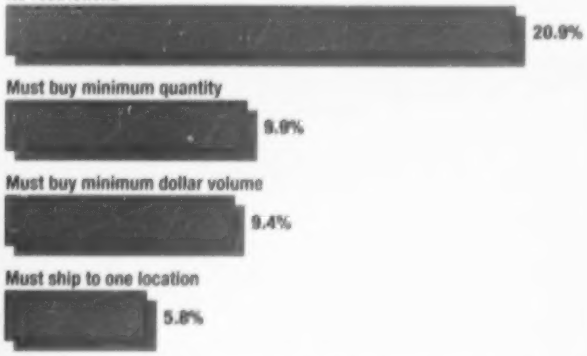
Builders in all parts of the country seem certain that there will be a shortage of wood and wood products over the next 12 months. They also expect shortages in four other product categories.

Product	Northeast	N. Central	South	West
Wood & wood products	82.6%	86.7%	86.6%	87.8%
Moldings & millwork	34.8%	31.1%	35.8%	18.4%
Siding	17.4%	11.1%	22.4%	20.4%
Roofing	4.3%	11.1%	13.4%	16.3%
Wallboard & paneling	4.3%	11.1%	17.9%	8.2%

Suppliers' Conditions For Selling Direct

The biggest advantage to buying materials directly from a manufacturer is getting a better price, say 97.7% of builders. But 62% of suppliers do not sell direct to builders. Those that do usually have no special conditions.

Conditions for selling direct, % suppliers



Payment History Influences Discount

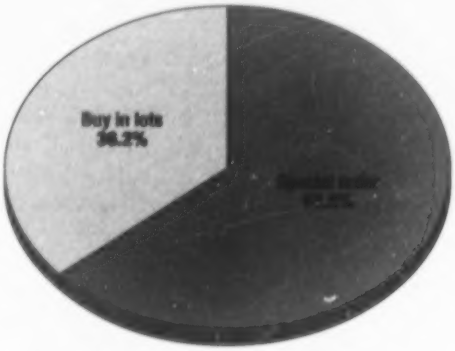
Builders with a history of paying their bills on time are most likely to obtain a discount or favorable delivery terms from a supplier.

Payment assurance	% suppliers
Strong payment history	46.4%
High credit rating	45.5%
Assurance of payment by bank	35.7%
Reputation	22.3%
Other	22.3%
Bonding of builder	12.5%

Special Order For Best Price

To obtain the most competitive price, builders prefer to special order materials and products on a project-by-project basis.

Lots vs. special order, % builders



Builders, Suppliers Still Disagree On Bill Payment

A majority of builders (80%) say they pay their bills within 30 days, but only half of suppliers agree. About 16% of builders say they pay their bills immediately.

How fast builders pay bills	Builders	Suppliers
Pay immediately	16.3%	—
Within 30 days	80.2%	52.8%
Within 60 to 90 days	11.0%	43.8%
More than 90 days	—	3.4%

How Suppliers Honor Product Warranties

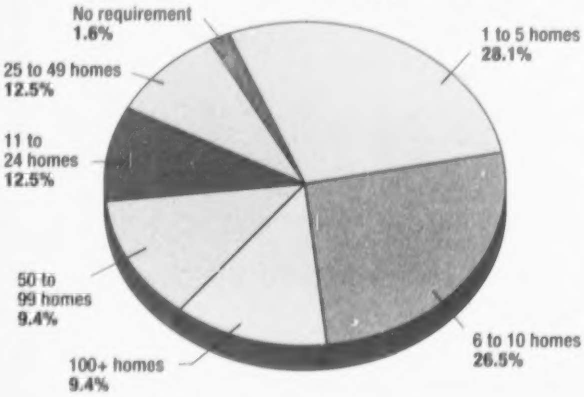
The majority of suppliers honors product warranties. Often, suppliers will give builders a choice when it comes to replacing a faulty product.

How warranties are honored	% suppliers
New material is given to builder to replace faulty materials	72.1%
New material is provided with reimbursement for replacement labor	21.5%
Monetary settlement is made	16.9%
Faulty material is replaced by builder's own crews	15.1%

Small Builders Qualify For Minimum-Order Discounts

Large builders aren't the only ones who qualify for minimum-order discounts. Nearly 55% of suppliers offer them to builders who put up 1 to 10 homes per year.

# homes required for discount, % suppliers who offer



Builders More Concerned About Warranty Coverage

The nationwide recession and slowdown in new construction has heightened builders' concern about the warranties they get from their suppliers. Product warranties are important to the marketing of new homes and are often part of a builder's own warranty.

Builders feel model home programs are important, but not many suppliers are providing what they really need. Literature is deemed important by 60.7% of builders, but only 1.2% of suppliers provide it. About 48% of builders say a model home program should include product discounts, but again, only a small percentage of suppliers offer them.

About 45% of suppliers will authorize price breaks or discounts on cumulative order volume over a set period. To qualify for the minimum individual order discount, a builder would have to build an average of 25 homes—considerably less than the 1987 average of 87 homes.

Suppliers feel remodelers are more willing to pay for quality and try new products, but builders are less difficult to service. ☐

Supplier Price Quotes Same For Regular, Volume Customers

Apparently, it makes little difference to suppliers whether builders are volume customers or regular customers. By and large, supplier price quotes remain effective for about the same time for both groups of buyers.

Effective price time, % suppliers

	For regular customers	For volume customers
At time of sale only	12.6%	9.7%
1 to 30 days	21.1%	18.4%
30 to 60 days	14.3%	16.8%
60 to 90 days	15.4%	15.7%
More than 90 days	36.6%	39.5%

Model Home Programs Vary By Product Type

Builders say product discounts and demonstration displays are the most important components of model home programs. But what suppliers offer varies widely by product. Three examples are given below.

Included in program	Total	Concrete	Plumbing	Siding
Free installation	34.1%	—	45.5%	33.3%
Identification programs	4.9%	—	—	—
Literature	1.2%	50.0%	—	—
Discount on products	1.2%	—	—	16.7%
Demonstration displays	1.2%	—	—	—

How Builders And Suppliers Perceive Each Other

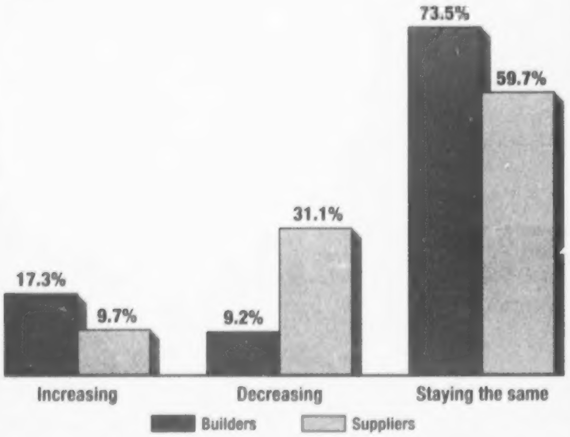
Suppliers generally think builders and remodelers are a good source of business, though slow to change habits. Late deliveries, bad service and shoddy merchandise anger all builders, regardless of size and sales volume.

Suppliers' opinion of builders	% suppliers
Good source of business	63.4%
Slow to change habits	62.1%
Will pay for quality	34.2%
Steady	32.3%
Often install product improperly	31.7%
Discount happy	28.6%

Gripes about suppliers	% builders
Failure to deliver on time	70.8%
Bad service	67.3%
Shoddy merchandise	37.2%
Dishonesty	33.3%
Playing favorites with pricing	22.1%
Seldom get angry with suppliers	13.6%

Do They Agree On Delivery Time?

Although most builders and suppliers generally agree that delivery time on most building products is staying the same, nearly 20% of builders say delivery time is increasing, while nearly a third of suppliers say just the opposite.



Do Suppliers Follow Up On Inquiries?

Most suppliers send only literature in response to product inquiries, say 57.6% of builders. Suppliers maintain that they follow up with a sales call or redirect the inquiry to a local distributor or dealer.

How inquiries are handled	% suppliers
Send literature, follow up with sales call	54.6%
Send inquiry to local distributor or dealer	54.1%
Send literature only	30.8%
Call builder from headquarters	6.5%

Are Suppliers Up To Speed On Product Trends?

Building materials and products of the '90s must be responsive to trends in energy conservation, low maintenance and the environment. A healthy proportion of suppliers are working on new products, and refinements to existing products, that meet these new requirements. Builders recognize suppliers' efforts but feel that a better response is still needed in all three areas.

Asked how they would evaluate products if they were builders, suppliers ranked quality, manufacturer's reputation and delivery/distribution as the top three criteria. However, builders say their primary motivations for buying a specific brand are product performance (58%), price (57.7%), and quality (44.9%).

Manufacturers' co-op advertising allowances are as important to builders now as they were in 1987. Nearly half of all suppliers offer co-op dollars at the distributor level, and 29.1% offer them at the dealer level. At the builder level, co-op allowances are offered in only a few product categories (see chart, this page).

About 65% of suppliers say that construction of single-family homes will be very important to product sales in the next six months. Multifamily construction will have a greater impact on sales in the near future, say 36.7% of suppliers. □

Merchandising Programs Need Improvement

Compared to 1987 survey responses, suppliers are providing more in 5 of the 12 categories of merchandising aids listed below. But builders say they need more operating cost data, product feature displays and displays of the product in use.

Merchandising aids	% suppliers
General product literature	95.5%
Specification information	77.7%
Installation data	68.2%
Catalogs	64.8%
Material/color samples	61.5%
Consumer-oriented literature	58.1%
Samples of warranty	49.7%
Display of product features	42.5%
Displays showing product in use	32.4%
Data on product maintenance needs	29.1%
Data on energy-saving features	21.2%
Data on product operating costs	9.5%

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LOWEST PAINT PRICES!
SQUARE DEALERS CLUB
ZIP
DERS

Suppliers Offer Builders Co-op Allowances For Few Products

Don't look for co-op advertising dollars from suppliers at the builder level for products such as cabinets, countertops, ceramic tile, concrete, construction equipment, doors, fireplaces, flooring, tools, HVAC, lighting, paints, roofing, siding, sound systems, paneling, windows or wood.

% of suppliers offering co-op ad allowances	Product Area				
	Appliances	Insulation	Locksets	Moldings/millwork	Plumbing
At distributor level	66.7%	16.7%	20.0%	16.7%	58.3%
At dealer level	33.3%	50.0%	20.0%	33.3%	41.7%
At builder level	16.7%	16.7%	20.0%	16.7%	8.3%

Newspapers Are Top Choice For Co-op

Newspapers, radio and TV are the top three media that qualify for co-op allowances, say suppliers. Newspapers are also the builder's top choice, but brochures and direct mail rank second and third.

	Suppliers offer	Builders want
Newspaper	94.0%	66.8%
Radio	76.1%	27.4%
TV	67.5%	34.7%
Direct mail	64.1%	35.0%
Brochure	54.7%	48.4%
Billboards	53.8%	14.8%

Supply Of Circulars Won't Meet Demand

A little more than half of suppliers provide ad slicks to builders, but only about one-fifth supply other aids such as radio scripts. Circulars have the highest usage, yet only 21.5% of suppliers provide them.

Advertising aids	Suppliers provide	Builders use
Slicks	52.5%	38.4%
Tapes	22.6%	36.1%
Circulars	21.5%	94.0%
Slides	20.3%	27.3%
Radio scripts	19.2%	30.1%

Manufacturers Respond To Energy, Environmental Concerns

In response to national trends toward energy conservation and concern for the environment, manufacturers have taken steps to alter products accordingly.

Response to trends, % suppliers

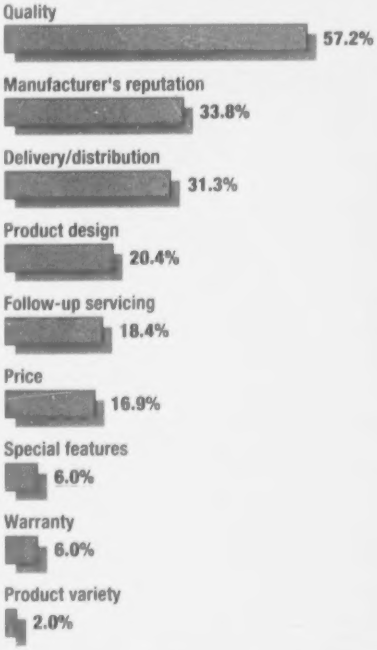
	Energy conservation	Environmental concerns
Developed whole new products	44.3%	37.9%
Refined existing products	35.9%	35.3%
Emphasized inherent product advantages	37.4%	22.4%
Changed marketing emphasis	24.4%	21.6%
Added to marketing themes	29.0%	30.2%
Increased marketing	26.0%	21.6%

CUSTOM
PAINT
MIXING

How Suppliers Would Select Building Products

If suppliers had to buy building products, more than half say they would consider the quality of a product before purchasing it. Other important considerations include manufacturer's reputation (34%) and delivery/distribution (31%).

Important factors in choice of product, % suppliers



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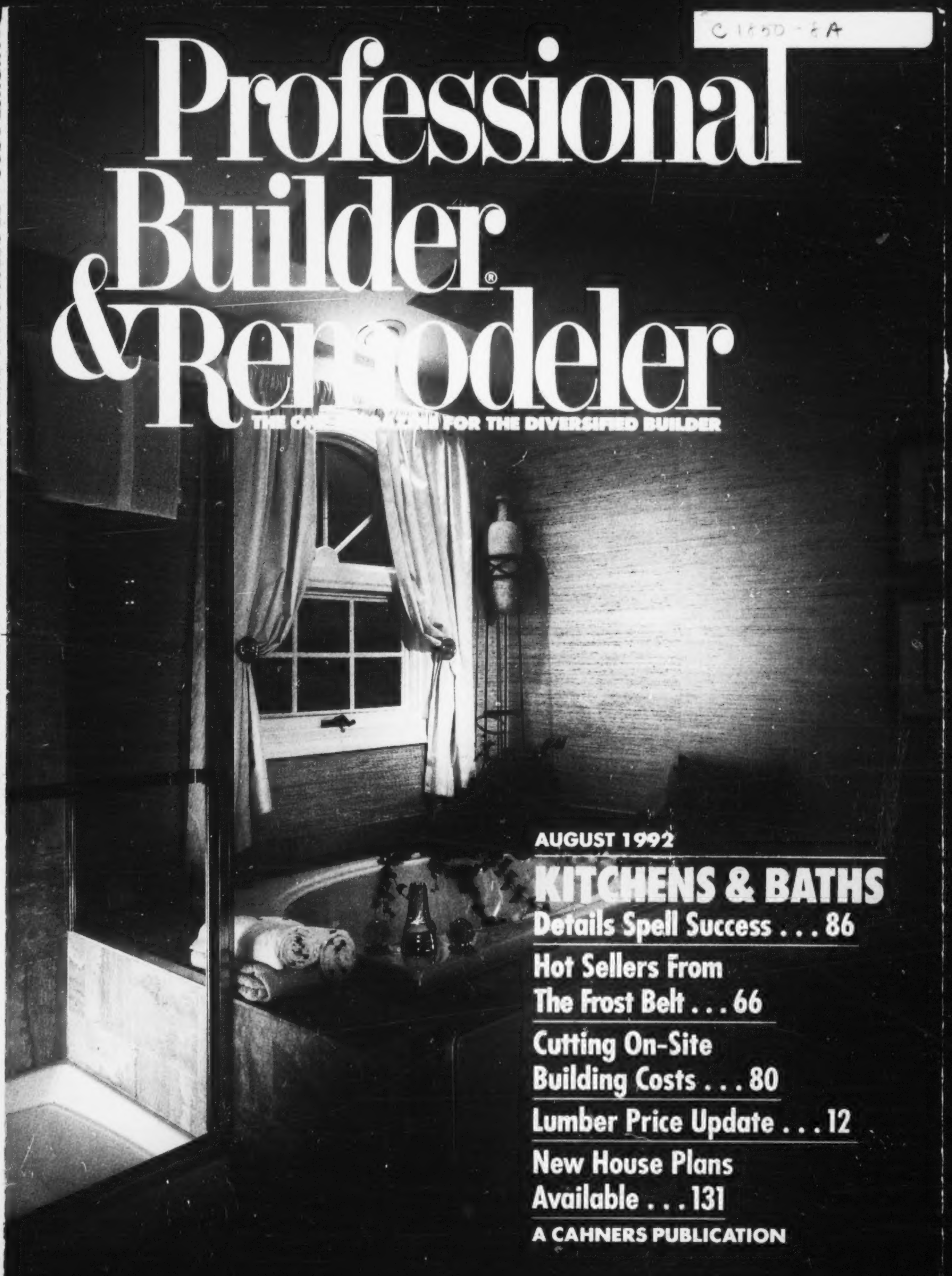

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KITCHENS & BATHS

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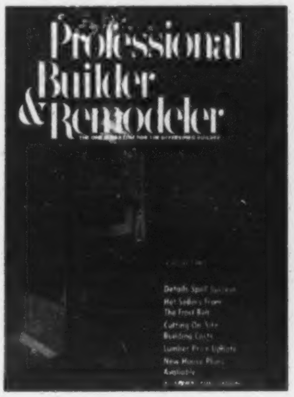

On The Cover

■ The master bath of the Greenfield model at Farmview in Yardley, Pa., has proven quite popular. The house was built by Realen Homes, Berwyn, Pa., and designed by a staff architect. Merchandising was by Century Design, New Hope, Pa. Featured on page 86. Photography by Fred Forbes.

New trends in kitchens & baths: p. 86.

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Frost-Belt Sales Busters 66

Here are five outstanding projects that prove high-quality, carefully targeted product sells.

Cutting Construction Costs 80

Builders talk a lot about cutting costs, but our surveys show that less than a third actually follow through. Here are a series of specific ideas for lowering overhead in the areas of buying, supervision, specs and architecture.

Details Make The Difference In Kitchens & Baths 86

Wet rooms are fertile ground for creativity because they play such a critical role in selling new homes and upgrading the value of old ones. Take a look at some of the latest innovations in both new construction and remodeling.

Smarter, Better Housing For The Money 96

Builder Mercedes Homes offers several special "lifestyle options" in its new Florida homes.

AUGUST 1992

Threats to the lumber supply: p. 12.

Frost-Belt design: p. 66.

New products: p. 106.

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Business

■ The spotted owl and import constraints are threatening the housing market's wood supply: *p. 12.* Proposed lender LTV rules and restriction would be a "disaster," according to NAHB: *p. 13.*

Markets

■ A three-party joint venture took underused property and converted it to a privately owned civic resource: *p. 25.*

Management

■ Rutenberg's new computer program prices 3000 options right in the sales office: *p. 41.* Building team collaboration helped produce new zoning regs as well as affordable housing in Connecticut: *p. 42.*

Marketing

■ Computer imaging of the job site before construction helps sell custom homes: *p. 53.* Pulte uses an innovative game to take first-timers through the buying process: *p. 54.*

Technology

■ A new machine that turns dirt into new housing is producing affordable homes in Florida: *p. 101.*

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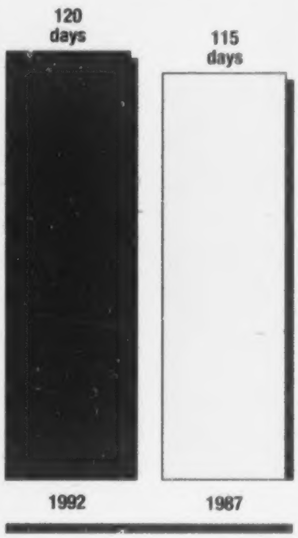
INDUSTRY CHALLENGE:

DON'T JUST PAY LIP SERVICE TO COST CUTTING

On-Site Construction Time



Builders talk a lot about cutting construction costs. After all, it can be a key component in keeping housing prices affordable. According to a *Professional Builder and Remodeler* survey taken in May 1992, 71% of builders say cutting construction costs is a high priority item, and 23% consider it a medium priority.

Unfortunately, not many are able to achieve this laudable goal. Our survey reveals that only 29% actually managed to cut construction costs in the last year.

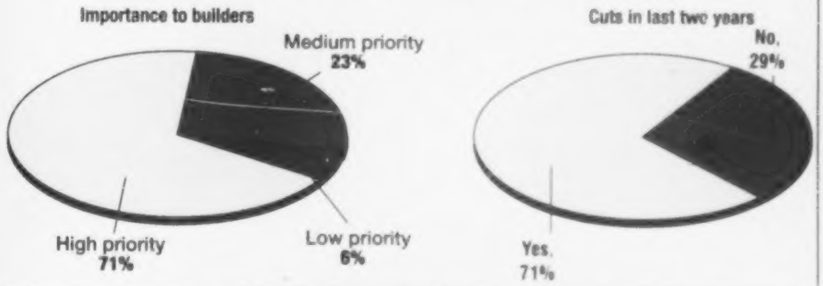
What's more, respondents say that during the last five years they have spent more time—which translates into money—on the actual construction of a house. In 1992, it took 120 days; in 1987, the process took only 115 days.

In addition to the three most important techniques for reducing costs (shown at lower right), builders mentioned such procedures as shopping around for different vendors, buying larger quantities of material for cheaper prices, reworking specifications, closer job supervision of workers and simplifying the architecture of the house.

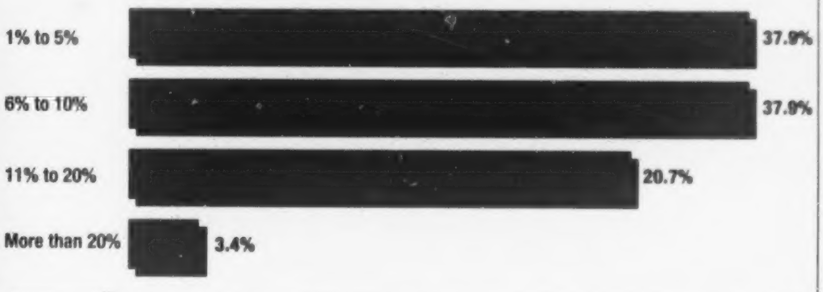
Some specific examples of how builders cut costs are shown on the following pages.

By Dan McLeister,
Senior Editor

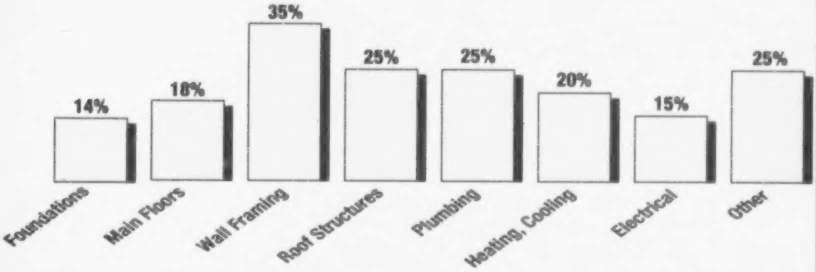
Cost Cuts: High In Priority, Low In Actuality



Construction Cost Cuts In Last Year



Which Areas Are Most Important In Cutting Costs?



What Were The Three Most Important Techniques Used To Cut Costs

1. Negotiate with subcontractors
2. Lower overhead
3. More prefabricated material

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SEPTEMBER 1992

LUXURY PRODUCTION HOUSING

Regional Traditions Drive Market...90

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Testing Home Automation's Market Appeal...104

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THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER

On The Cover

■ Laguna Pointe in Redwood Shores, Redwood, Calif., opened to rave reviews and great sales for builder W.W. Dean & Associates. Dahlin Group Architects designed the house, with interior merchandising by Yeiser-Garland. Story begins on page 90. Photography by David Garland.

Luxury production housing: p. 90.

New ideas for doors: p. 136.

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Summit On The Ohio 84

Twenty-five of the industry's top leaders recently sat down with PB&R to analyze what the future has in stock for buyers, builders and houses.

Luxury Production Housing 90

Successful high-end production builders have rediscovered tradition, both regional and historic, as a selling tool.

Home Automation Rollout 104

More automated model homes are opening across the country than ever before, giving consumers a first-hand look at this exciting new technology.

Second-Story Additions 110

When it comes to room additions, moving up, not out, has become increasingly popular in neighborhoods where density or zoning restricts expansion.

Second-story room additions: p. 110.

Summit on the Ohio: p. 84.

New products: p. 134.

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Business

■ To meet conventional lenders' more restrictive equity requirements, many builders are bringing in unconventional financial partners: *p. 14.* Working with non-profit firms can help entrepreneurial firms find new market niches: *p. 20.*

Markets

■ Old world architecture gives apartments an air of sophistication: *p. 27.* How builders are shaping practical rooms out of vacant space: *p. 28.* A ramp incorporated into a design helps meet non-res accessibility requirements: *p. 36.*

Management

■ A shortage of land in the development pipeline is beginning to worry many builders: *p. 47.* The "total quality management" concept is changing the way builders deal with their subcontractors: *p. 56.*

Marketing

■ New Jersey's restrictions on "design/build" remodeling activity could be causing trouble in the Garden State: *p. 65.*

Technology

■ A new manufactured model home showcases the latest methods and materials: *p. 129.*

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■ ACCOUNTING

Rolling Option Agreements Benefit Builders And Developers

By Kenneth Leventhal,
Senior Partner,
Kenneth Leventhal & Co.

Many builders cannot obtain financing to buy finished lots from developers, and they are unwilling or unable to acquire lots with their own capital. As an alternative, some builders are entering into rolling option agreements with developers (or other sellers).

Specific terms vary, but these agreements commonly require that a builder make a low downpayment or deposit. The following is a simple example:

The seller gives the home builder an option to purchase 40 lots in a subdivision for $25,000 a lot.

The builder agrees to purchase or "take down" a minimum of two lots per month and makes a $75,000 deposit applied toward the purchase of the final three lots.

The builder finances acquisition of these lots with draws on its construction loan—lots are released individually as the seller receives payments.

The rolling option enables a builder to control large numbers of lots for a relatively small investment.

The rolling option enables a builder to control large numbers of lots (usually it has the right of first refusal to acquire them) for a relatively small investment. In markets where land prices are rising, this option can protect the builder from having to pay higher prices (assuming the builder and seller agree on a fixed price for the lots).

Sellers who offer rolling options usually attract builders who otherwise would not acquire lots. Sellers therefore have greater opportunities to dispose of their land. And they may benefit from a higher rate of housing starts and home sales that pushes up land values.

Sellers and builders who are thinking of entering into rolling option agreements usually must consider variations in the terms. These include:

Deposits—A deposit may cover all of the optioned lots or be applied only after a specified number of lots have been purchased.

Purchase price—Some agreements require little or no deposit, but an accelerated release price for the initial lots (e.g., 110% for the first 10 lots, 105% for the next 10).

Takedown schedules—When the master developer (or other seller) wants to control the order in which lots are taken down for construction, it may require the builder to agree to a takedown schedule. In a three-phase project, for example, the seller may require the builder to buy 90% of the lots in phase one before entering into phase two. Alternatively, in return for paying a premium to the seller, the builder may acquire lots out of sequence, e.g., lots in phase three before those in phase two.

Kathryn Ferron, senior manager Phoenix, Kenneth Leventhal & Co., contributed to this article.

'Retained Value' Key To New Remodeling Study

A remodeling payback study found that garages add the highest return on investment for homeowners. Conducted by Marshall & Swift, a Bridgewater, N.J., provider of construction cost data, the survey used the *retained* value of nine popular remodeling jobs to determine the value of remodeling to a sold home.

The survey found the home improvements that retained the most value were: a garage (retained 78% after three years), a fireplace (68%), and a wooden deck (66%).

Remodeling Cost Payback Over Time

	1 Yr.	3 Yrs.	5 Yrs.
Kitchen remodel	77%	62%	47%
Bath remodel	77%	62%	44%
Roof replaced	69%	52%	39%
Fireplace addition	76%	68%	61%
Swimming pool	53%	42%	31%
1-car garage	84%	78%	71%
Wood deck	79%	66%	56%
Solar room	72%	61%	53%
Family room	79%	59%	37%

Source: Marshall & Swift.

The worst? A pool retained only 42% of its original cost after three years. For example: Three years after installing a $20,000 pool, a homeowner could expect to get back $8400. A $5000 garage would add $3900 to a home's selling price during the same time, results show. "The findings are of particular interest to homeowners who plan on selling in a few years," says Robert Crine Jr., Marshall & Swift's vice president. □

INDICATORS

New Home Sales Bounce Back—A Sign Of Better Times?

Lower interest rates and a solidified first-time buyer credit will boost demand.

New single-family homes sold at a seasonally adjusted annualized rate of 572,000 units during June, a sharp 7.2% gain from the May level and up 11.5% from the June 1991 rate. The May-June increase followed four consecutive months of declining sales, and suggests the housing recovery—stalled in early spring—may be catching its second wind.

Housing starts during the second quarter came in at a rate 8.4% lower than for the first three months of the year. Existing home sales in June were down 4.3% from the March pace. And the April-June monthly average for new home sales was more than 11% below the strong numbers (peaking at a 667,000-unit annualized rate) for the first quarter of the year.

Interest rates rose about 30 basis points between January and March, and the prospect of a first-time home buyer tax credit evaporated. Both developments dampened housing demand and housing production during the spring.

With the Fed's move to lower interest rates in July, and talk of a less-generous ($2500) first-time buyer credit becoming more serious, the near-term prospects for the housing market have improved. ☐

Modest Remodeling Gains Reflect Consumer Caution

Following three consecutive weak years, consumer spending on home improvement and repair appears to be staging a modest recovery.

Through the first five months of 1992, the number of remodeling projects for which building permits were issued rose 6.8% above the level seen in the first five months of 1991. The estimated dollar value of permitted projects exceeded last year's value by 6.4%, ahead of the gain needed to capture the effects of inflation for the last year.

Favorable conditions exist for this upward trend. The economy is recovering slowly, and we expect job and income gains to be sustained in the months ahead. Interest rates are at historically low levels—levels so low that, under normal cir-

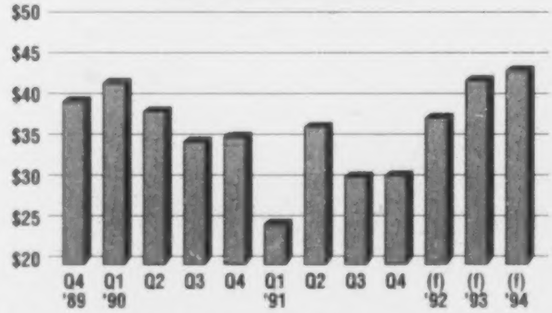
Continued on page 184.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodelling Permit $	Employment Change
Portland, Maine	+35.9%	$90,318	+37.3%	-0.9%
Harrisburg	+45.2%	$89,274	+ 8.5%	-0.7%
Orlando	- 1.9%	$90,078	+ 5.0%	-0.2%
Knoxville	+56.3%	$72,400	+27.5%	+2.4%
San Antonio	+70.1%	$67,004	-24.7%	+1.6%
Milwaukee	+41.1%	$119,116	+12.3%	-0.3%
Omaha	+26.4%	$74,879	- 4.9%	-0.8%
Salt Lake City	+37.9%	$96,077	+49.5%	+2.2%
San Diego	-49.9%	$167,836	- 2.9%	-2.0%

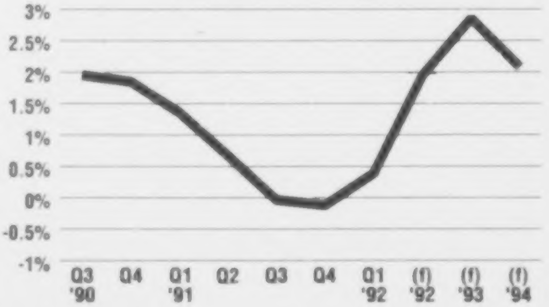
Sources: U.S. Departments of Commerce and Labor.

Consumer Spending On Residential Additions & Alterations



Data reflect seasonally adjusted annual rates, in billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

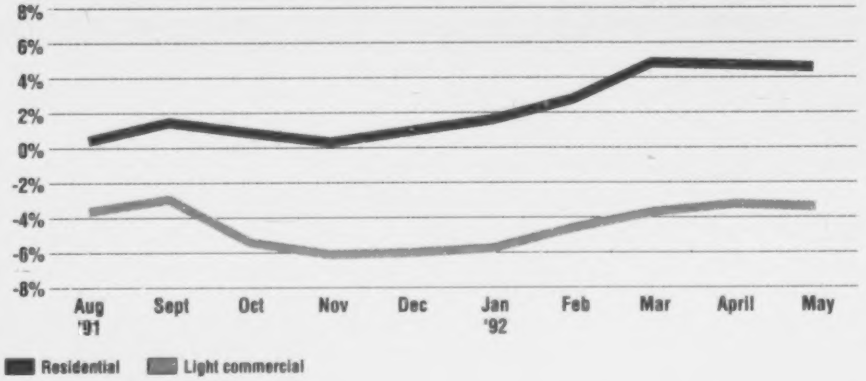
Real Disposable Personal Income
(Over-The-Year % Change)



Source: U.S. Department of Commerce.
Forecast: Cahners Economics.

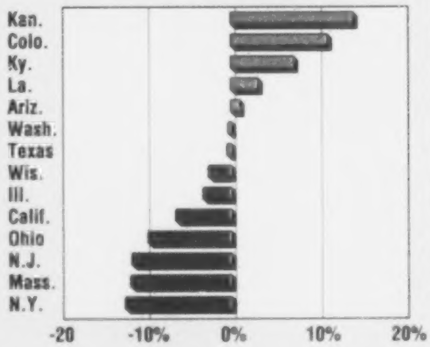
INDICATORS

Remodeling Permit Trends — Residential & Light Commercial



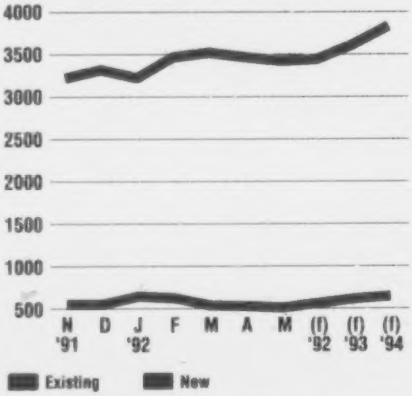
Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce.

Construction Employment Trends



Data reflect % change in employment, March 1992 vs. March 1991.
Source: U.S. Department of Labor.

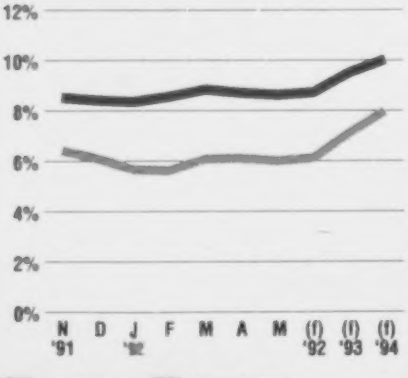
Single-Family Home Sales



Data reflect seasonally adjusted annual rate, in thousands.
Source: National Association of Realtors and U.S. Department of Commerce.
Forecast: Cahners Economics.

Mortgage Interest Rates

(Monthly Average)



Source: Federal Home Loan Mortgage Corp.
Forecast: Cahners Economics.

Key Trends At A Glance

	May '92	Sept '91
Total housing starts*	1,230,000	1,020,000
New home sales*	501,000	499,000
Remodeling permit trend	+4.6%	+1.4%
Consumer Confidence Index**	71.9	72.9
Median new home price	$106,000	$120,000
Fixed-rate mortgage	8.81%	9.01%
Construction wage trend	0.7%	1.3%

* Seasonally adjusted annual rate.
** 1985 = 100.

Remodeling Gains

Continued from page 183.

cumstances, we would expect to see a veritable boom in spending for remodeling projects.

Home equity loans, the most significant single source of funds for large home improvement projects, are bargains today compared to just a few years ago. Unfortunately, the weak housing markets in much of the country have caused home values to fall, leaving homeowners with little or no equity in their property against which to borrow.

The decline in property values and the excess of other forms of consumer debt have placed limits on how far and how quickly remodeling spending can bounce back.

Residential upkeep and improvement spending declined 8.7% to $97.5 billion in 1991. This represents the smallest spending total for the remodeling industry since 1987, and the sharpest year-to-year decline in spending over the three decades the Commerce Department has kept records.

Spending for additions and alterations declined by 16.9%. Maintenance and repair spending fell 2.9% on the heels of an exceptionally large gain of 20.2% during 1990.

The January-May 6.4% national gain in remodeling permit values is an average, which hides the significant differences that exist between regions. The parts of the country seeing the best gains in remodeling activity so far this year are the same areas that have enjoyed better-than-national-average improvement in employment levels, new home construction and BSHC retail sales. □

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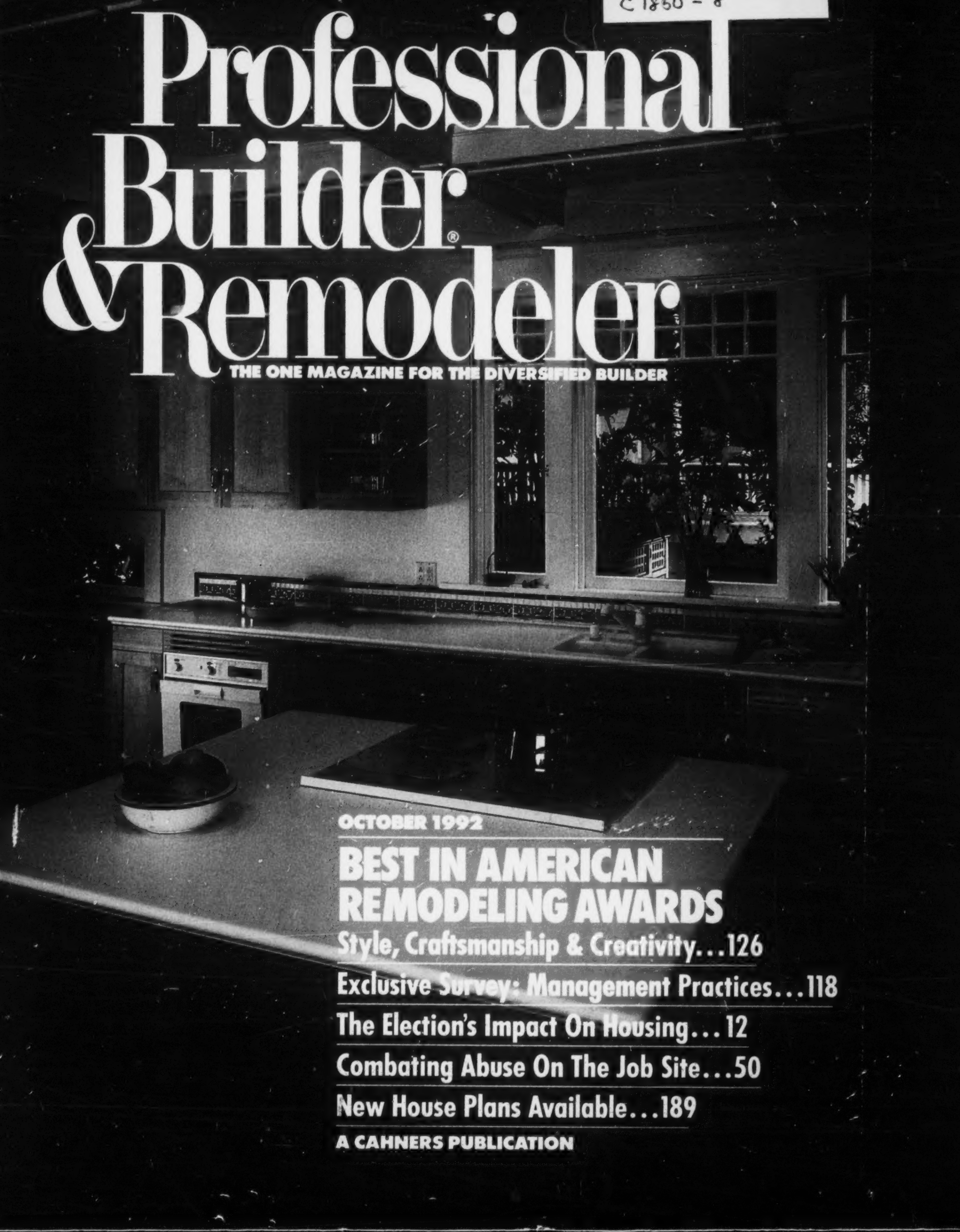

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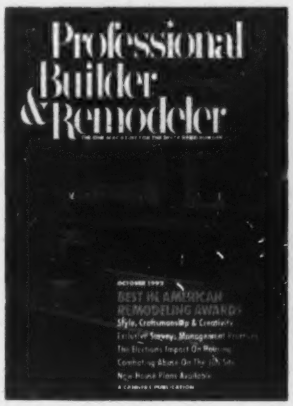
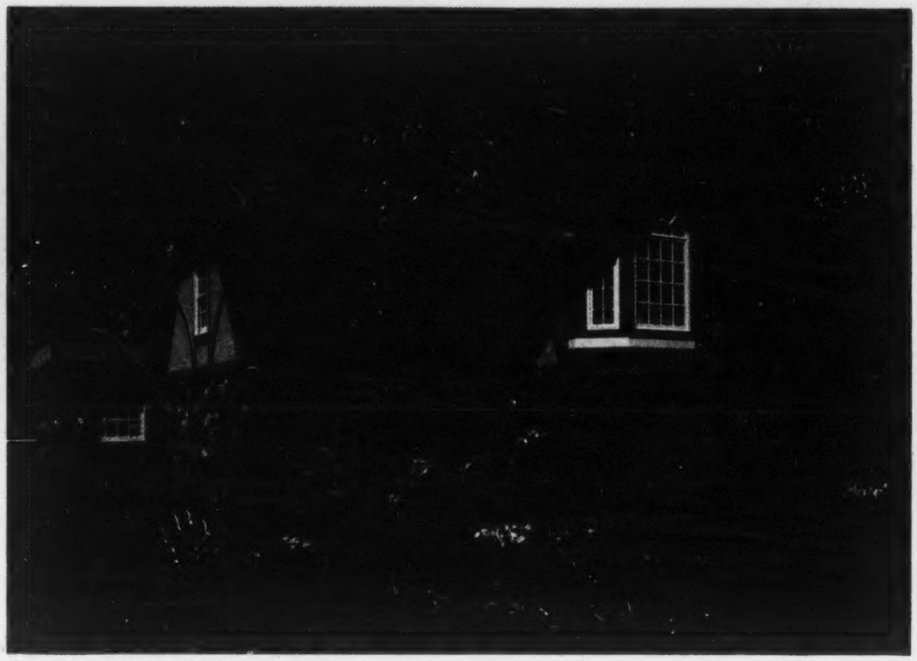


On The Cover

■ This remodeling in Alameda, Calif., won a Grand Award in the kitchen category of the Best In American Remodeling Awards (feature begins on page 126). The project work was by Kurt Lavenson, Design & Building, Berkeley, Calif. The architects were Andrea Walhof and Cheryl Crane of Walhof & Crane, Designers, Berkeley. Interior design was by Cheryl Crane. Photography by Alan Geller.



America's best remodeling projects: p. 126.

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Management Professionalism: Learning Curve To Profitability 118

PB&R's exclusive survey of management practices in the housing industry shows overall improvement as well as innovation in the areas of technology, quality control and goal setting.

The Best In American Remodeling Award Winners 126

In this, PB&R's third annual remodeling awards program, we showcase a variety of jobs that awaken old structures with a design jolt. Featured here are 18 entries that typify the wide diversity of our readers.

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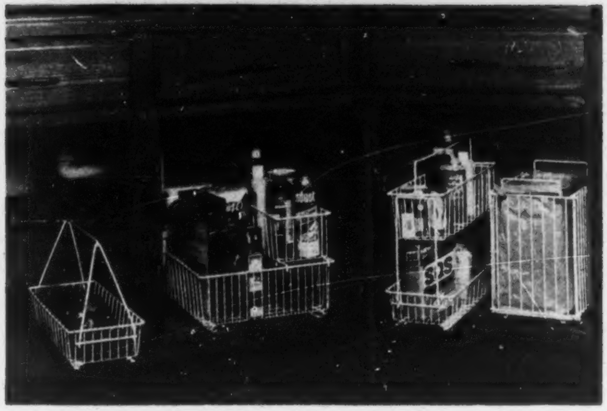
Drugs on jobsites: p. 50.

Successful high-density design ideas: p. 21.



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Business

■ For housing, the Bush-Clinton race pales against the potential for a shake-up in Congress: *p. 12.*

Markets

■ Innovative designs put 23-foot-wide detached houses at a density of nine-to-the-acre: *p. 21.* A seniors project is one-third leased a full year before opening: *p. 22.* Specialty rooms offer many creative ideas: *p. 28.*

Management

■ Builders and their HBAs are mounting drug-free programs to curb absenteeism, accidents and jobsite theft: *p. 50.* Architect Ann Capron and builder Sarah Peck believe in designs that sell: *p. 58.* Wayne Homes builds more than 500 houses a year: *p. 62.*

Marketing

■ How to market your product on a limited budget: *p. 69.* A remodeler finds new business helping local Realtors sell: *p. 70.*

Technology

■ Radiant heating provides energy-efficiency: *p. 159.* HVAC cuts usage in room addition: *p. 160.*

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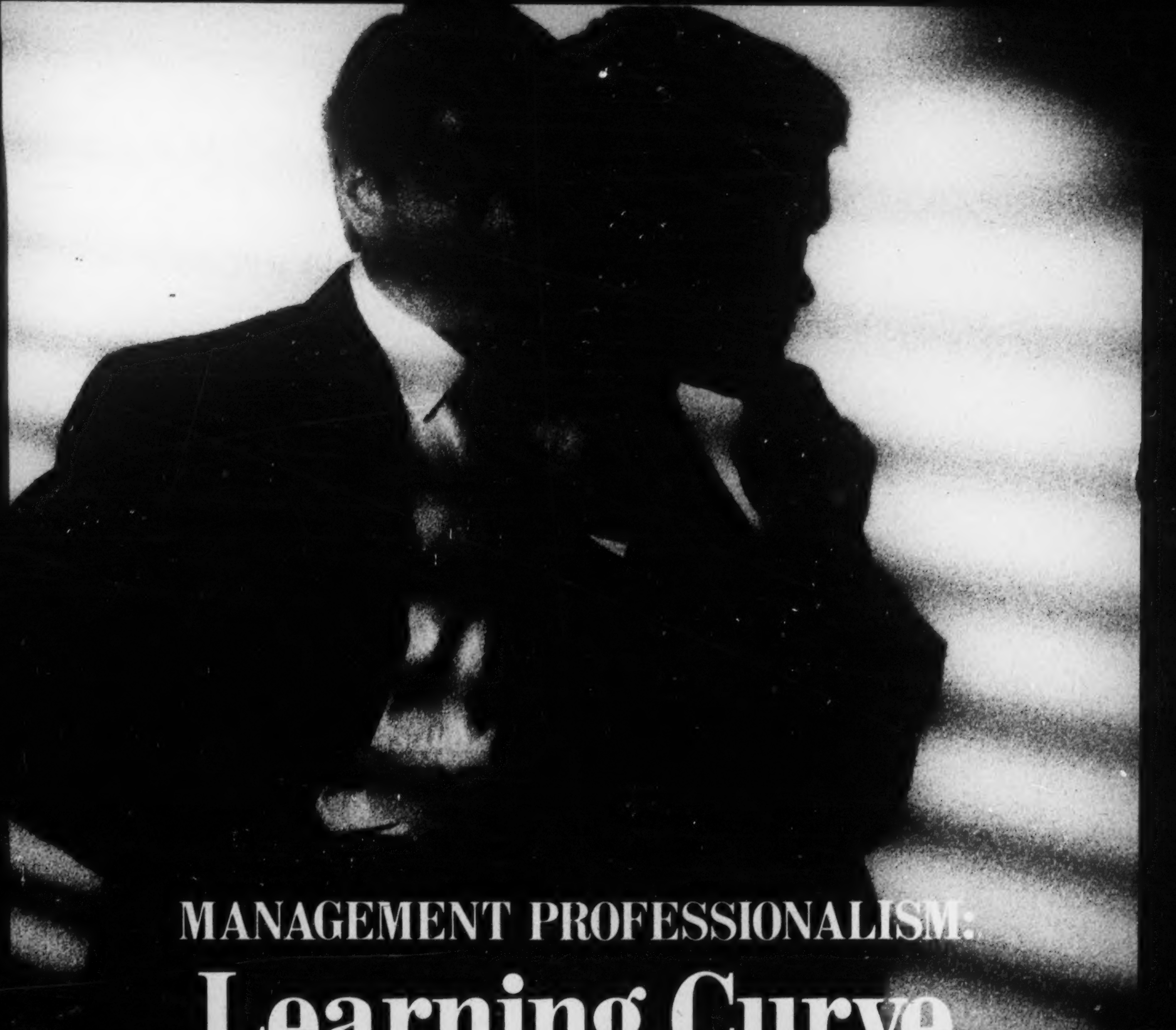
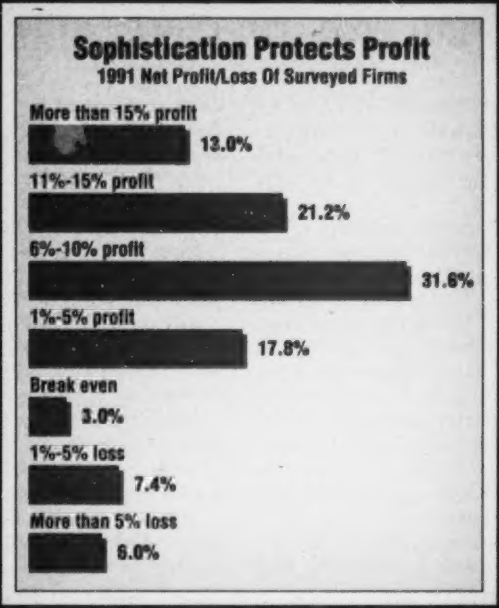


MANAGEMENT PROFESSIONALISM:

Learning Curve To Profitability

Every five years, *PB&R* surveys its readers to gauge management professionalism in the U.S. home building industry. Our latest tally shows both progress in overall management practice and problem areas where innovation lags. But most significantly, it shows that even in a recession-buffeted economy, getting to the high side of this learning curve can mean money in the bank.

By William H. Lurz, Senior Editor



Sophistication Protects Profit

1991 Net Profit/Loss Of Surveyed Firms

Survey Summary

In the last five years, surveyed builders have extended their use of written policies in many areas, including accounting (50%), subcontractor relations (69%), and quality standards (62%). But sales remain a sore point. Just over a third (36%) of those responding have written policies for sales, and the percentage actually declined from the 1987 survey (38%).

☐ Larger firms still tend to be most sophisticated. For example, far more have written statements of objectives. Under $1 million in annual revenues, less than a third of respondents had such a document, while two-thirds of builders over $15 million did. Public companies still maintain a wide gap over most private firms. For example, all publicly held firms surveyed set specific performance targets for managers. Private firms that set such targets don't top 50% until they have more than 20 employees.

☐ Centralized management organization is still the norm, regardless of company size. Even among builders with annual volumes above $15 million, 75% are centralized.

☐ The PC revolution has made computerized operations virtually mandatory, regardless of company size. Compare the 1987 survey to this year's: Use of computers for general ledger increased from less than half of 1987 respondents to well over 80% in 1992, job cost accounting from less than half to three-quarters, estimating from less than a quarter to more than half. Well over 90% said they track costs of each house in a development separately. More than a third said they have *multiple* systems isolating variations.

☐ Formal quality control programs are making slow inroads. In 1987, less than half of firms with fewer than 20 employees, and just over 60% of companies above that point, had such a program. This year, each of those measurements increased by only about 3%.

Largest Firms Most Sophisticated, But Margin May Be Narrowing

While larger firms still tend to be most sophisticated, small companies are narrowing the gap—and the agent of that change is the personal computer.

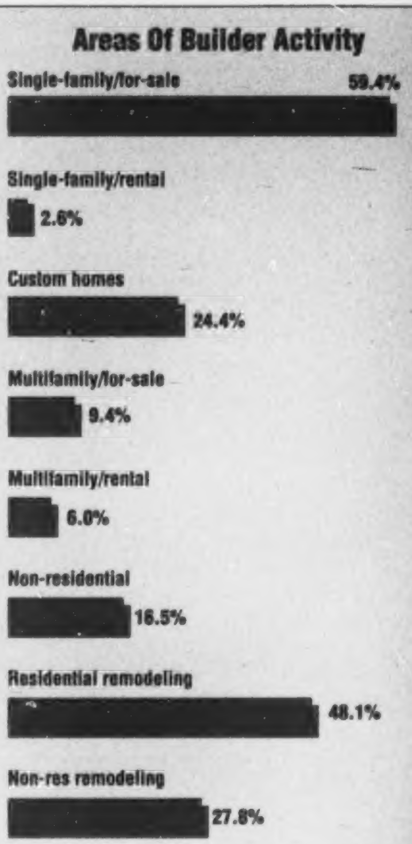
That conclusion jumps from analysis of *PB&R*'s business practices survey—a representative sampling of 266 U.S. residential building companies. Even in areas that might seem beyond the reach of a computer, close scrutiny of the data hints at an impact. For instance, the types of activity builders are conducting shows broad diversification, and small builders are just as diversified as large ones—although the activities differ.

Firms with five or fewer employees are more likely to diversify into remodeling. More than 50% reported residential remodeling activity, and 24.1% said they do non-res remodeling. Meanwhile, firms with more than 20 employees reported highest rates of activity in non-res. Both new construction and remodeling activity tied at 25%.

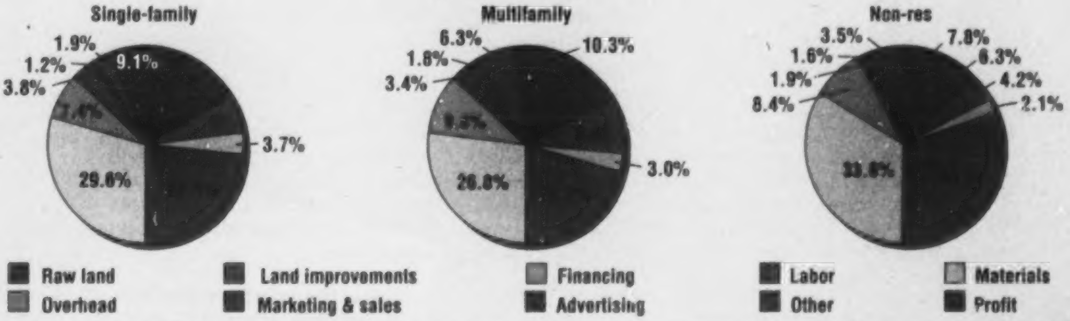
Survival may be a prime motive for diversifying, but would any firm try different activities without confidence in the ability to control costs and margins? And what is the source of that confidence?

Advances in personal computers and packaged software actually have forced large firms to scramble to keep up with smaller ones.

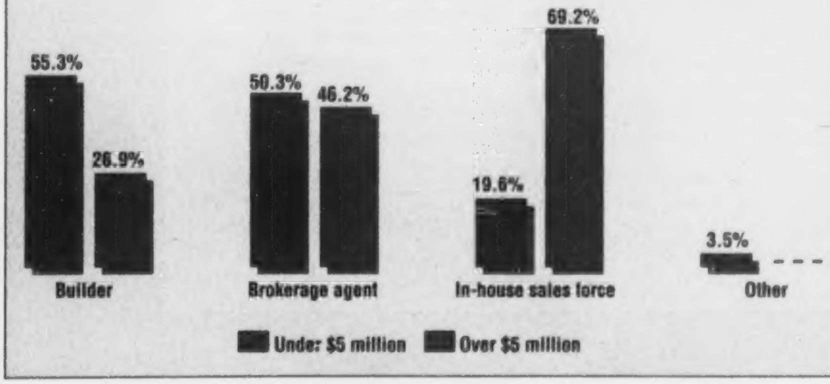
That may explain why the largest firms are only slightly more profitable than the smallest, and mid-sized firms are the *most* profitable. In single-family home building, firms with less than $1 million in annual volume reported profit margins of 9.38%. Those above $15 million reported 9.5%. And those between $6 million and $15 million checked in with margins averaging 10.36%. □



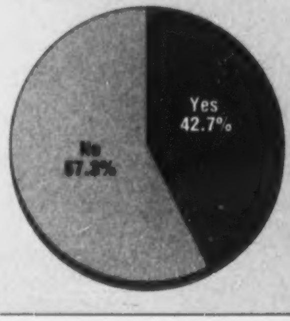
Areas Of Builder Activity



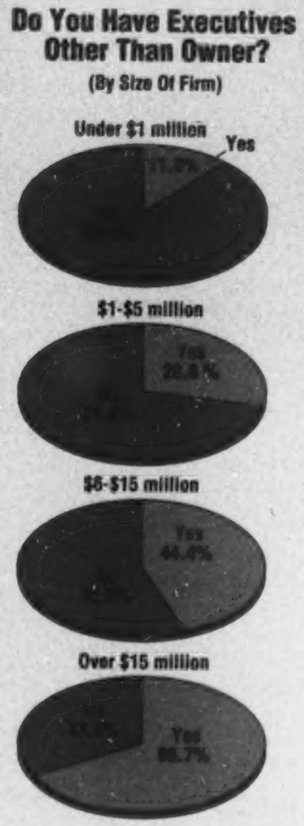
Profit Highest On Multifamily
(Percent Of Final Price)



Who Sells The Homes

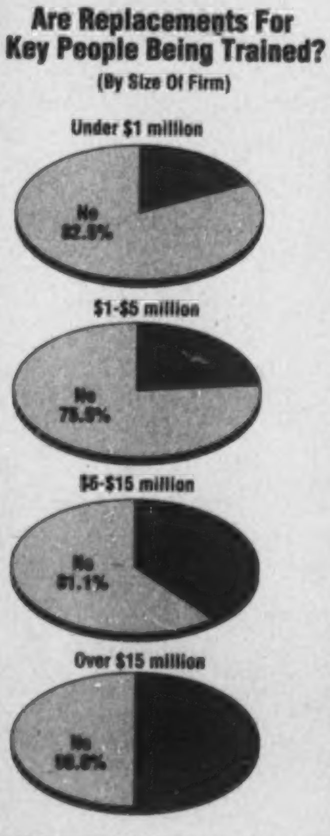


Privately Held Companies Planning For Continuation After Death Of Owner



Do You Have Executives Other Than Owner?

(By Size Of Firm)



Are Replacements For Key People Being Trained?

(By Size Of Firm)

Sales: Weak Link In Management Chain

Builders surveyed generally improved—over those questioned in 1987—at planning their business operations and formalizing those plans in writing. But sales planning and management remains the industry's Achilles' heel.

The percentage of builders reporting that they maintain written policies for such areas as accounting, quality standards and subcontractor relations increased dramatically over 1987. But the percentage with written policies governing sales actually declined.

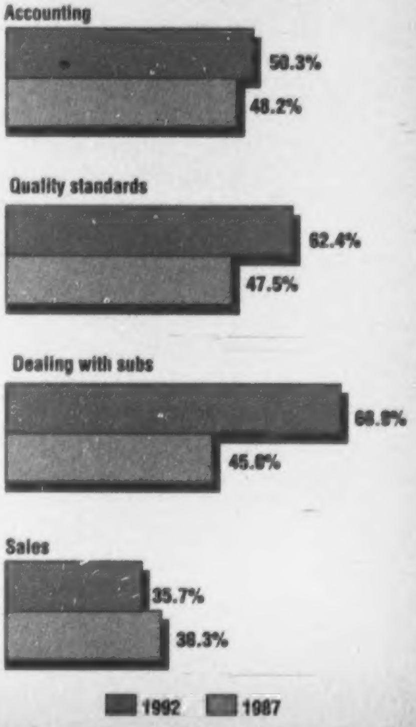
The jump in formal, written quality standards—from 47.5% in 1987 to 62.4% this year—is significant. It probably reflects builders' response to the increasing sophistication of consumers. Quality is now the watchword among consumer product marketers worldwide, and builders are finding that quality perceptions honed by auto and appliance manufacturers are applied to the highest ticket item of all.

However, when we asked if the company had a *formal quality-control program*, rather than just written quality standards, the improvement from 1987 was more modest—up from 45.1% to 46.8% among firms with 6 to 20 employees, and from 63.4% to 66.7% for companies with more than 20 employees. Among the smallest firms (5 or fewer employees), formal programs actually declined from 31% in 1987 to 24.7% in 1992.

Despite the increasing emphasis on formal planning, only 11.5% of respondents said they plan company operations at least two years into the future. Even among firms with more than 20 employees, only 36.8% said they have such plans. But that may reflect the volatility of the marketplace more that absence of management foresight. □

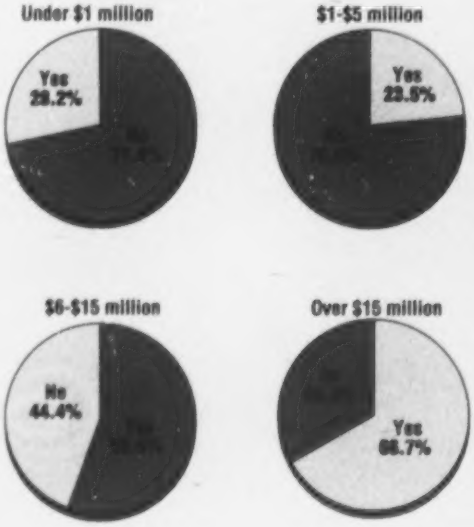
Operations Covered By Written Policies

(Percentage Of Firms)



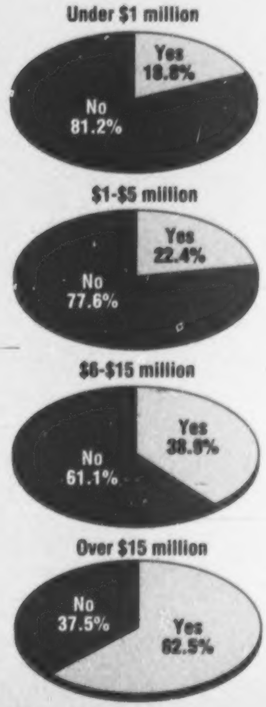
Does Company Have A *Written* Statement Of Objectives?

(By Size Of Firm)



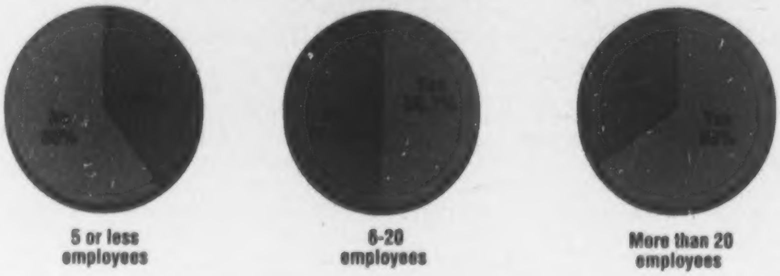
Does Company Have A *Written* Business Plan?

(By Size Of Firm)



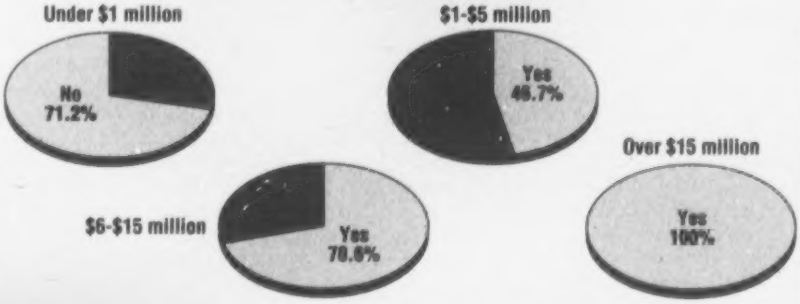
Are Company's Goals For Revenue, Cash Flow, Profit Planned For A Range Of Results?

(By Number Of Employees)



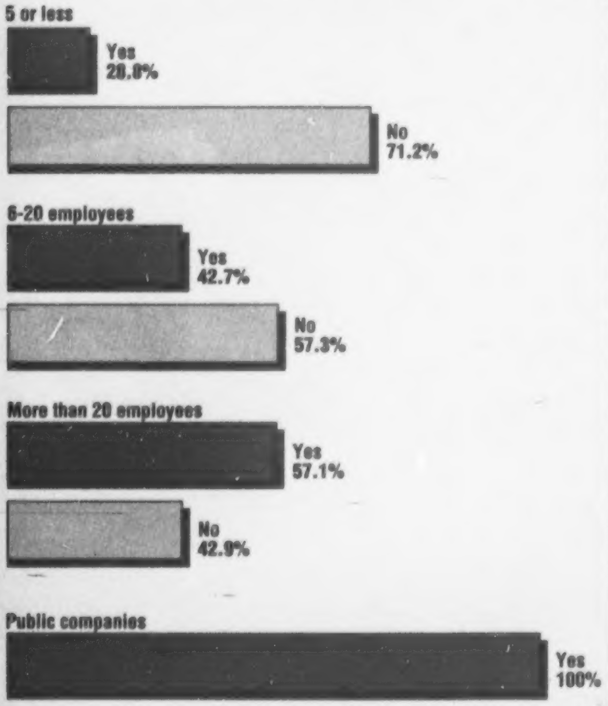
Does Company Conduct Feasibility Studies For Land, Developments, Etc.?

(By Size Of Firm)



Are Specific Performance Targets Set For Individual Managers?

(By Number Of Employees)



Personal Computers: Small Builders' Secret Weapon

Thanks to PCs and packaged software, small builders now have the computer power of Giants at their fingertips. While size still brings advantages, better management information is not necessarily among them. And that has changed the shape of competition.

The huge increases in builder computer use since 1987, shown right, reflect the quantum leap in computing-power-per-dollar-invested achieved over that five-year interval. Much of that has come through personal computers and packaged software bought by small builders.

For many of the applications shown, computer use by the smallest builders is greater today that it was among *all* builders in 1987. For example, 76.1% of today's builders with less than $1 million in annual volume said they use computers for general ledger, 64.8% for job cost accounting, 48.9% for accounts payable, 45.5% for accounts receivable, 53.4% for estimating, and 47.7% for generating management reports.

When we asked if the cost accounting system compares actual costs to estimated or budgeted costs throughout the development of a project, the gap between the smallest builders and all builders was miniscule: 71.1% of those with revenues under $1 million said yes, compared to 74.9% for the full sample.

When we asked if the computer system provides direct construction costs within $500 on each house sold—before that house is delivered—69.6% of firms under $1 million in annual volume said yes, compared to 70.7% for all builders.

Clearly, in the arena of management professionalism, the playing field between large and small firms today is much closer to level than five years ago. □

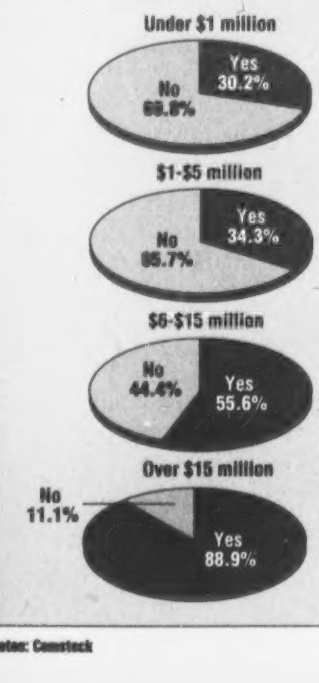
Computer Revolution Impacts Most Builder Operations

(Uses Five Years Ago And Now)

	1987	1992
General ledger	43.6%	84.1%
Job cost accounting	45.4%	75.4%
Word processing	—	84.5%
Accounts payable	41.2%	67.6%
Payroll	30.4%	60.9%
Track operating costs	45.1%	53.1%
Accounts receivable	34.8%	56.5%
Estimating	24.6%	51.2%
Management reports	39.3%	54.6%
Scheduling	19.9%	26.6%

Are Written Purchase Orders Generated For All Major Items?

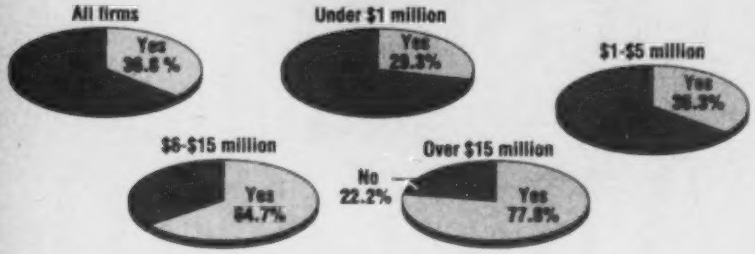
(By Size Of Firm)



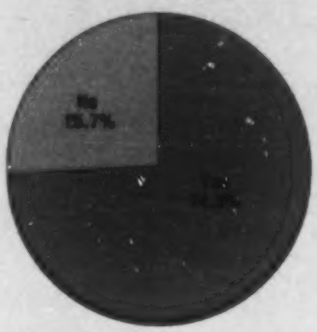
Photos: Comstock

Do You Have *Multiple* Systems Isolating Variances From Budget?

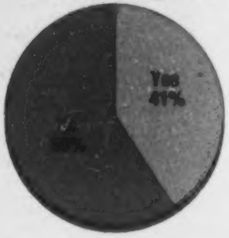
(e.g. Financial/Physical)



Are Budgeted Costs Within 5% Of Actual?

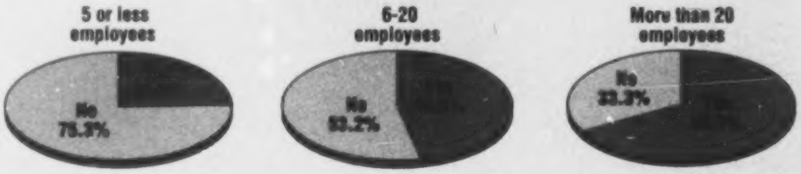


Does Scheduling System Show Actual Vs. Projected Weekly Progress?



Do You Have A Formal Quality-Control Program?

(By Number Of Employees)



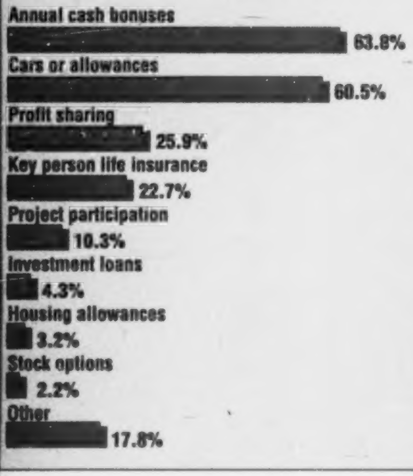
Larger Firms More Likely To Use Headhunters, Written Tests In Hiring Managers

(Procedures, By Size Of Firm)

	Under $1 million	$1-$5 million	$6-$15 million	Over $15 million
Multiple interviews	47.5%	70.2%	80.0%	100.0%
Minimum requirements specified in advance	63.9%	40.4%	26.7%	12.5%
Outside consultants	4.9%	—	13.3%	37.5%
Psychological or aptitude testing	3.3%	3.5%	—	12.5%

Cash Tops Management Perks

(Benefits Provided Key Managers)

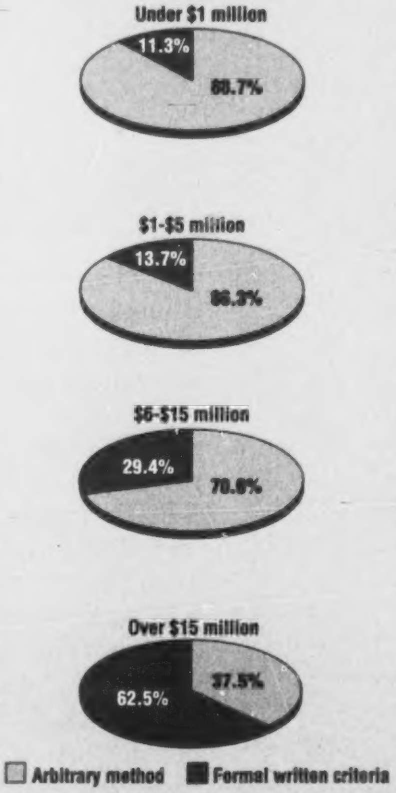


Insurance Forms Core Of Non-Management Benefits

Group health insurance	69.5%
Disability insurance	31.1%
Company-paid life insurance	31.1%
Dental plan	19.9%
Legal services plan	0.7%
Thrift plan	2.0%
Pension plan	1.3%
Stock ownership plan	13.9%
401K plan	13.9%
Other	31.1%

How Are Bonuses Determined?

(By Size Of Firm)



INDICATORS

Top Construction Markets For 1993—Atlanta, Phoenix

Top-volume construction areas should represent best opportunities for builders and remodelers.

Cahners Economics has recently released its annual special report on the "Top U.S. Construction Markets" for next year. In this report we venture an educated, informed "guess" as to what areas around the country are likely to provide the best construction opportunities—by dollar volume—in the year ahead.

New home building

We're expecting Atlanta to emerge as the most active new home construction market during 1993. Through the first six months of 1992, the estimated value of new permitted residential construction in the "Belle of the South"—almost $1.25 billion—was greater than for any other metropolitan area in the nation. The host of the 1996 Summer Olympics wins our gold medal for 1993.

Not too far behind was Phoenix, the area we're expecting to take the silver medal in new home construction work next year. Both Phoenix and Atlanta recorded gains of 42.4% in the value of new home construction work permitted during the first six months of 1992 when compared with cumulative values for the first half of 1991.

In fact all of our "Top 10" recorded healthy gains in permit values between 1991 and 1992, ranging from 12.1% in the Houston area to a whopping 106.3% gain in Baltimore.

Noteworthy for their absence in the Top 10—any metropolitan areas in the state of California.

Residential remodeling

Cities in the Northeast and in the industrial Midwest—areas with appreciably older housing stocks and harsher climates—fare much better on our remodeling list than on our new home building list. In fact, our Top 10 list changes very little from year-to-year even when new construction activity in some of the cities is "the pits"—such was certainly the case in Philadelphia, Boston, Long Island and New York from 1989-1991.

Growth in the value of permits issued for remodeling work through the first half of 1992 were more moderate than for the new home construction sector. Among the Top 10, seven areas re-

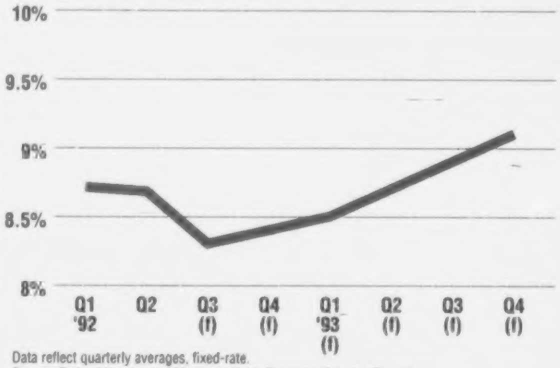
Continued on page 248.

Regional Market Conditions
(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
New Haven	+27.7%	$98,323	-13.8%	-1.1%
Trenton	+19.6%	$95,441	+13.0%	-0.8%
Jacksonville	+12.5%	$85,553	-21.0%	+0.7%
Jackson, Miss.	+35.0%	$74,515	+32.6%	+1.1%
Oklahoma City	+33.0%	$89,261	+ 1.5%	+0.8%
Cleveland	+27.1%	$138,562	+14.7%	-1.6%
Wichita	+57.0%	$78,355	- 9.5%	-0.3%
Reno	+23.6%	$103,892	+26.0%	+0.8%
Oakland	+64.2%	$154,047	+10.1%	-1.4%

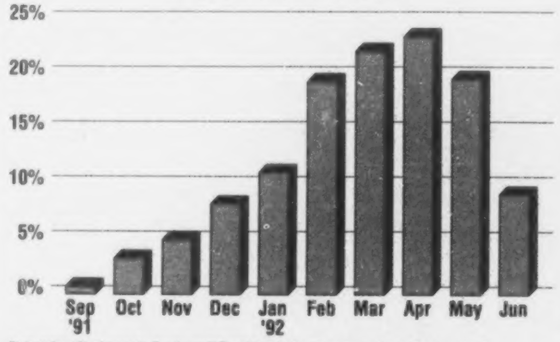
Sources. U.S. Departments of Commerce and Labor.

Mortgage Interest Rate Forecast



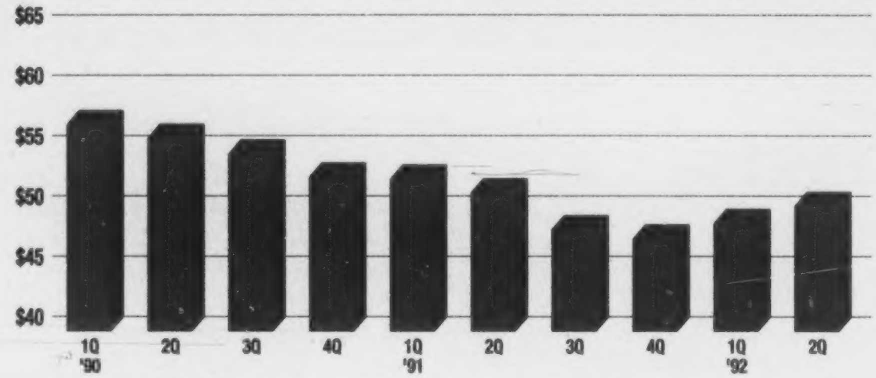
Data reflect quarterly averages, fixed-rate.
Source: Federal Home Loan Mortgage Corp. Forecast: Cahners Economics.

Lumber Price Trends



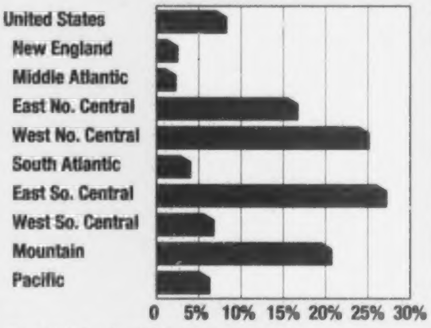
Data reflect % change in Producer Price Index for lumber; current month compared to same month year-earlier.
Source: U.S. Department of Labor.

Residential Improvement Value–Additions, Alterations & Replacements



Data reflect quarterly annualized averages from the "C-30," value of construction put-in-place, billions of dollars.
Source: U.S. Department of Commerce.

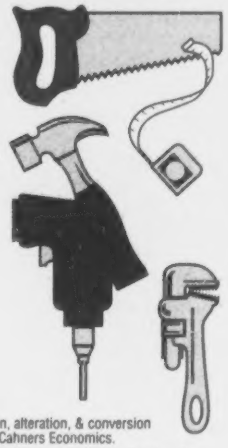
Residential Remodeling Permit Value Trends
(June 1992 vs. June 1991)



Source: U.S. Department of Commerce.

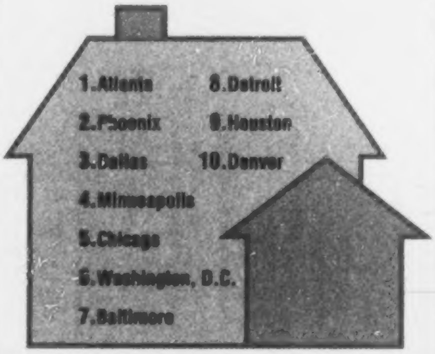
Top Remodeling Markets–1993

1. Los Angeles
2. Chicago
3. Minneapolis
4. Washington, D.C.
5. Boston
6. Philadelphia
7. Detroit
8. San Francisco
9. Miami
10. Long Island



Data ranked by value of addition, alteration, & conversion permit values, as projected by Cahners Economics.
Source: Cahners Economics special report "Top U.S. Construction Markets for 1993."

Top New Home Construction Markets–1993



Data ranked by value of new residential building permits, as projected by Cahners Economics. Source: Cahners Economics special report "Top U.S. Construction Markets for 1993."

Key Trends At A Glance

	Jun '92	Oct '91
Total housing starts*	1,167,000	1,085,000
New home sales*	572,000	526,000
Remodeling permit trend	+7.1%	-1.5%
Consumer confidence index**	72.6	60.1
Median new home price	$122,500	$122,600
Fixed-rate mortgage	8.51%	8.86%
Construction wage trend	+1.6%	+1.2%

* Seasonally adjusted annual rate.
** 1985 = 100.

'93 Market Analysis

Continued from page 247.

corded gains over the January-June 1991 totals, ranging from 2.3% in Philadelphia to 27.0% in Chicago. The declines registered by San Francisco, Los Angeles and Detroit were relatively small, but still in discouraging contrast to the 7.1% gain in remodeling permit values nationwide through the first six months of 1992.

Growth markets

Even in a sluggish market, opportunities do exist for expanding business. The Cahners Economics' "Top U.S. Construction Markets for 1993" special report offers you a glimpse not only at the largest volume areas in terms of dollar value of construction outlays, but also insights into which areas have been the dynamic, high growth areas so far in 1992.

Surely there will always be some overlap of top markets as measured by volume and top markets as measured by growth rate—indeed, this represents the best of all possible worlds. However, in assessing which markets are likely to provide the best opportunities in the year ahead, both measures—growth rates and absolute dollar value of activity—should be carefully evaluated.

Copies of the 30-page special report "Top U.S. Construction Markets for 1993" are available for $85 from Cahners Economics. For further information, or to order your copy, contact Wendy Chambers of Cahners Economics at 1-800-445-0678 or FAX your request (Attn: Wendy Chambers) to 1-617-630-2100. □

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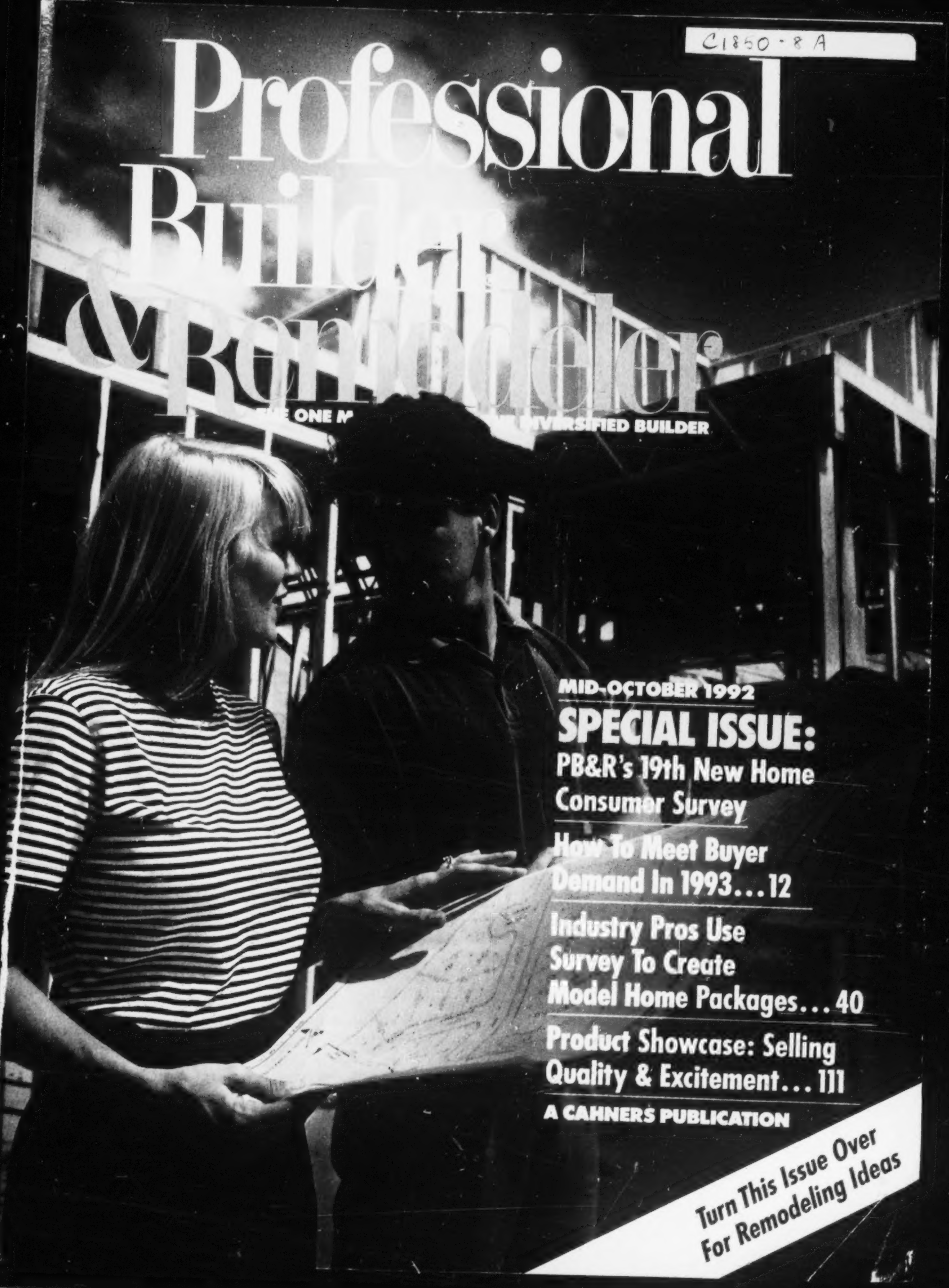


MID-OCTOBER 1992

SPECIAL ISSUE:

PB&R's 19th New Home Consumer Survey

How To Meet Buyer Demand In 1993 ... 12

Industry Pros Use Survey To Create Model Home Packages ... 40

Product Showcase: Selling Quality & Excitement ... 111

A CAHNERS PUBLICATION

Turn This Issue Over For Remodeling Ideas

PB&R

NEW HOME CONSUMERS

Contents

Editorial 9

Director of Editorial Roy Diez offers a quick overview of what's in this exciting, special issue.

PB&R's New Home Survey: How To Meet Buyer Demand 12

In today's competitive marketplace, builders would do well to find out what consumers want. Our latest annual Consumer Survey provides loads of information about why people move, what they seek from a new home, and how they intend to finance it.

Industry Pros Create Consumer Targeted Model Home Packages 40

To help bring the findings of our annual New Home Consumer survey to life, we assembled four teams of industry pros to develop model home packages. You'll find a wealth of design ideas, site-plan solutions and selling concepts.

Product Showcase 111

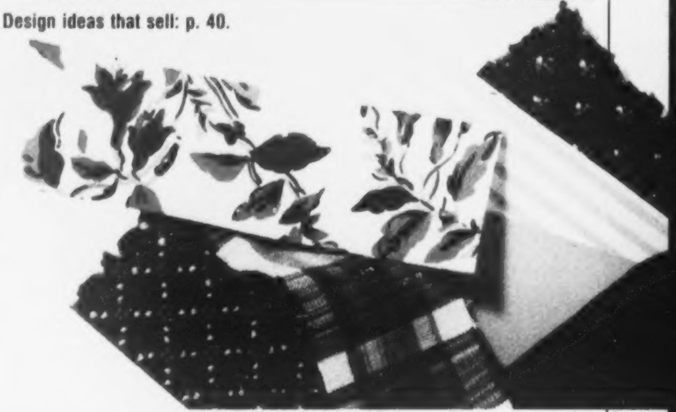
Here are a variety of recently introduced products in categories ranging from structural materials to modern luxury amenities.

Reader Service Card 119

To get information from all the manufacturers represented in this issue, please use this handy response card.

What consumers want in housing: p. 12.

Design ideas that sell: p. 40.



Creating the right merchandising mix: p. 40.

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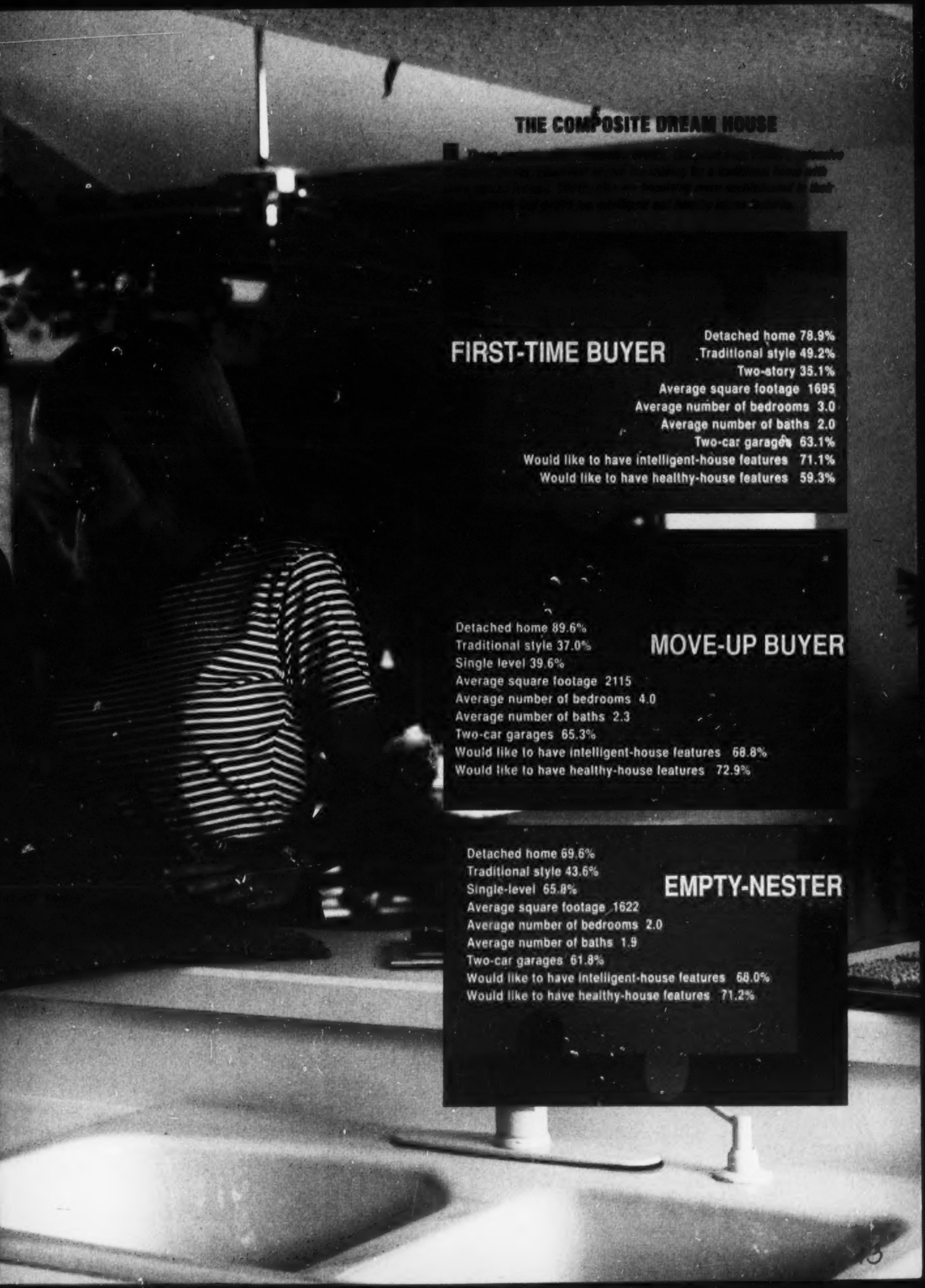
PB&R's New Home Survey

How To Meet Buyer Demand

I n today's competitive marketplace, builders would do well to find out what consumers want. *PB&R*'s latest annual Consumer Survey provides loads of information about why people move, what they seek from a new home, and how they intend to finance their purchase. Pay attention. You might be surprised to find that what you offer in your new homes doesn't quite jibe with what buyers want.

By Andrea LaFreniere, Associate Editor



THE COMPOSITE DREAM HOUSE

[illegible] looking for a traditional home with [illegible] They're also becoming more sophisticated in their [illegible] intelligent and healthy house features.

FIRST-TIME BUYER

Detached home	78.9%
Traditional style	49.2%
Two-story	35.1%
Average square footage	1695
Average number of bedrooms	3.0
Average number of baths	2.0
Two-car garages	63.1%
Would like to have intelligent-house features	71.1%
Would like to have healthy-house features	59.3%

MOVE-UP BUYER

Detached home	89.6%
Traditional style	37.0%
Single level	39.6%
Average square footage	2115
Average number of bedrooms	4.0
Average number of baths	2.3
Two-car garages	65.3%
Would like to have intelligent-house features	68.8%
Would like to have healthy-house features	72.9%

EMPTY-NESTER

Detached home	69.6%
Traditional style	43.6%
Single-level	65.8%
Average square footage	1622
Average number of bedrooms	2.0
Average number of baths	1.9
Two-car garages	61.8%
Would like to have intelligent-house features	68.0%
Would like to have healthy-house features	71.2%

CONSUMERS WEIGH THE COSTS

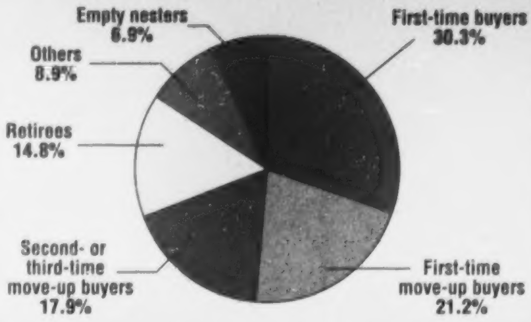
For most people, a new home represents increased privacy and security, a higher standard of living and a place to raise a family. But today's buyers aren't willing to shell out every last dollar to achieve those ends.

Thus, although consumers rate properties by the value, neighborhood and security they offer, price and affordability reign as the top factors in the selection of a new home.

Lower interest rates and the advantage of applying monthly payments to property owned, rather than rented, provide the financial motivation for consumers to buy a new home. The average downpayment consumers intend to make is $30,572, while the average monthly payment they can afford is $857.

WHO IS BUYING A HOME NOW?

■ *First-time buyers make up the biggest slice of the buying pie, followed by first-, second-, and third-time move-up buyers.*



WHY CONSUMERS WANT TO BUY

■ *Most consumers buy homes to gain features that their rental apartments lack.*

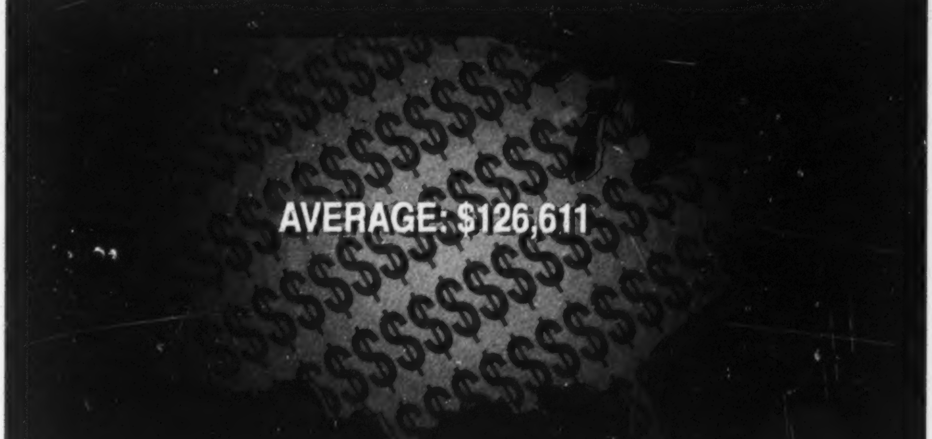
Reasons	
Obtain privacy/security	58.2%
Complete present lifestyle	45.4%
Essential to raising a family	36.8%
Avoid dealing with landlord	19.7%
Establish roots in community	18.7%
Attain prestige of owning home	12.4%

WHAT FINANCIAL FACTORS MOTIVATE CONSUMERS?

■ *For the most part, there are seven financial reasons that prompt consumers to buy a new home.*

Financial Factors	
Applying payments to property owned, not rented	56.3%
Lower interest rates	52.9%
Achieving a tax shelter	30.4%
Building equity	27.2%
Lower home prices	23.3%
Saved enough for downpayment	20.9%
Avoiding higher prices	17.3%

WHAT PRICE CONSUMERS WILL PAY



HOW CONSUMERS RATE PROPERTIES

New Home Attributes	All Consumers
Value	60.7%
Neighborhood	53.7%
Security	52.6%
Quality	48.3%
Low maintenance	42.4%

WHAT DETERMINES HOME SELECTION

- ***Price/affordability and size are foremost when buyers make their final home selection.***

Top 10 Factors In Home Selection	
Price/affordability	58.1%
Size	53.2%
Style and appearance	36.7%
Investment/appreciation	30.8%
Size of yard/lot	30.8%
Quality of schools	24.4%
Close to work	24.2%
Builder's reputation	14.2%
Warranties	13.2%
Prestigious location	8.9%

HOW CONSUMERS RATE FINANCIALLY

- ***Household income determines how much home buyers can afford.***

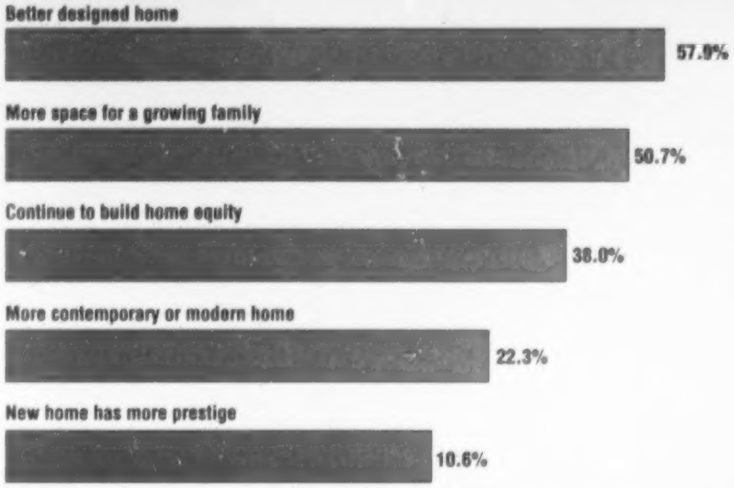
	Income			
	Under $20k	$20k to $34k	$35k to $49k	$50k And Over
Average price of home you'd consider	$85,385	$90,272	$112,089	$171,134
Average downpayment you could afford	$18,110	$19,655	$24,512	$44,123
Maximum monthly payment you could afford	$459	$639	$805	$1132
Average number of years you've owned present home	13	9	8	8
Average price paid for present home	$36,333	$54,129	$64,496	$105,113
Average price you'd expect to get for present home	$70,081	$86,779	$92,244	$158,548
Average number of household wage earners	1	1	2	2

Consumers in the Pacific region expect to pay the most for a new home ($177,857), followed by residents of New England ($148,914), and the Middle Atlantic states ($138,911). Buyers in the Northern and Southern Plains expect to pay the least—an average price of $93,447 and $97,249, respectively, while residents of the Mid-South region expect to pay $99,026. Buyers in the Mountain region will pay a bit more—an average of $104,856, while Great Lakes buyers will spend $111,543. Residents of the South Atlantic states will spend an average of $122,772. □

In choosing to buy or not to buy, consumers examine not only their present living arrangements, cash flow and cash reserves, but also current interest rates and the economy.

WHY CONSUMERS MOVE UP

The desire for a more spacious, better-designed home prompts consumers to move to a larger home.



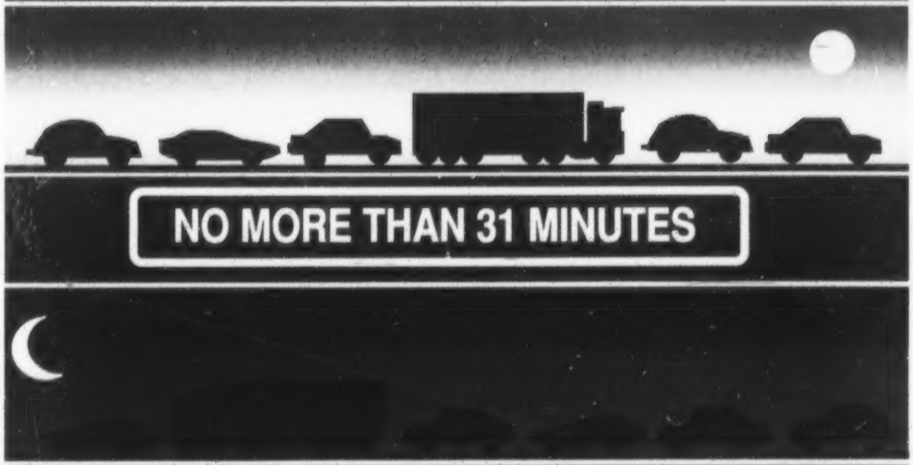
WHY CONSUMERS DELAY HOME PURCHASE

Reasons For Delay	
Need to save for downpayment	50.0%
Waiting for salary increase	25.7%
Waiting for drop in interest rates	24.8%
Waiting for drop in mortgage rates	23.8%
Want to find affordable monthly payments	20.3%

WHY SOME CONSUMERS NEVER PURCHASE

Reasons For Never Owning	
Lack money for downpayment	65.4%
Fearful of changing economy	25.4%
Can't make required monthly payments	22.8%
No need or desire to buy	20.2%
Too much responsibility involved	9.2%

HOW FAR WILL BUYERS COMMUTE



NO MORE THAN 31 MINUTES

WHAT DRIVES THE FINAL BUYING DECISION?

Final Factors	
Price of house	56.6%
Monthly payment	35.1%
Mortgage interest rate	13.1%
Downpayment	7.5%

WHY SOME CONSUMERS LIKE TO RENT

Top Advantages To Renting	
Less maintenance	57.2%
Less financial responsibility	38.7%
Enjoy not being tied down	28.9%
Cheaper than owning	24.2%
Easier to move	21.6%

CONSUMERS WANT TRADITIONAL HOMES

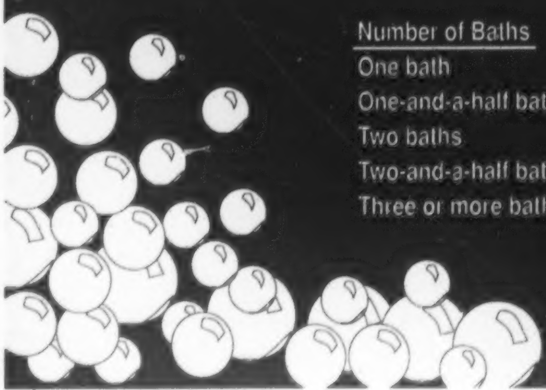
A detached, traditional-style home with three bedrooms and two baths is still the favorite among consumers nationwide.

Most buyers prefer a brick or masonry house with an average 1920 square feet of living space. Consumers who intend to pay less than $100,000 for their new home, however, expect no more than

HOW MANY SQUARE FEET CONSUMERS WANT

Home Price Range	Consumers Expect
Less than $85,000	1557 sq. ft.
$85,000 to $99,999	1828 sq. ft.
$100,000 to $149,999	1977 sq. ft.
$150,000 to $199,999	2222 sq. ft.
$200,000 to $300,000	2580 sq. ft.
More than $300,000	2817 sq. ft.

HOW MANY BATHS TO INCLUDE



Number of Baths	All Consumers
One bath	2.3%
One-and-a-half baths	12.5%
Two baths	41.4%
Two-and-a-half baths	31.6%
Three or more baths	12.2%

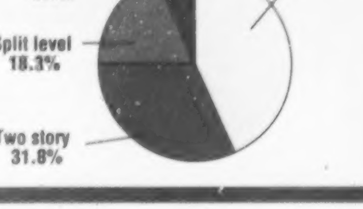
WHAT TYPE HOME CONSUMERS WANT

Having a detached home is still the American dream. But there is a market for attached product and specialty homes.

House Type	
Detached home	81.1%
Townhome	4.5%
Condominium	3.4%
Specialty home (log, dome, cedar, etc.)	3.3%
Mobile home	3.2%
Duplex	2.3%
Modular, panelized or precut home	2.2%

HOW MANY STORIES

Most consumers say they prefer a single-story home, but nearly a third wants a two-story house.



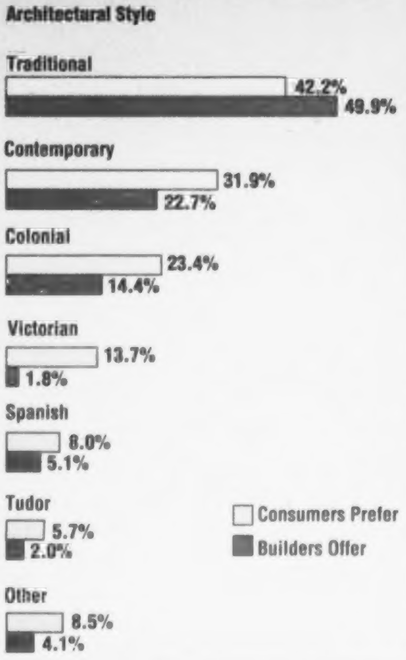
HOW MANY BEDROOMS TO PROVIDE

AVERAGE: THREE BEDROOMS

■ *More than half of new home buyers wants a new home with at least three bedrooms.*

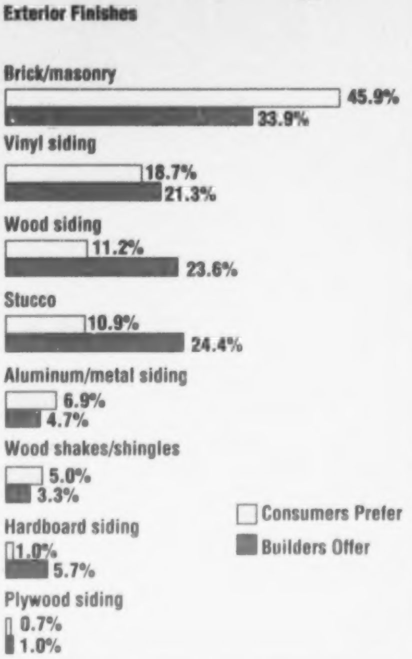
WHAT STYLE ARCHITECTURE TO OFFER

■ ***While the majority of consumers prefers traditional-style homes, buyers in the Pacific states like contemporary-style homes best. Colonial and traditional styling are equally popular among buyers in the Middle-Atlantic states.***



WHAT TYPE EXTERIOR FINISH IS BEST?

■ ***A brick house is by far the favorite of the nation's consumers. Residents of New England prefer wood shakes, while buyers from the Northern Plains states request vinyl siding.***



WHAT CONSUMERS SEEK IN ATTACHED HOMES

■ ***Privacy at the rear of a unit, energy-saving features and a sense of neighborhood are requested by buyers of attached homes.***

Top 5 Features Of Attached Housing	
Privacy at rear of unit	34.3%
Energy-saving features	23.6%
Sense of neighborhood	23.3%
Sound control to exclude noise	21.9%
Located in planned community	17.0%

1800 square feet of living space. Buyers in the higher price ranges expect between 2200 and 2800 square feet of living space.

Although most consumers (44%) want a single-level home, nearly a third prefers a two-story model. Only 18% would choose a split level. The most popular home among first-time buyers is a two story, while move-up buyers prefer either a two-story or a single-level home. Empty nesters and retirees overwhelmingly favor a single-level home.

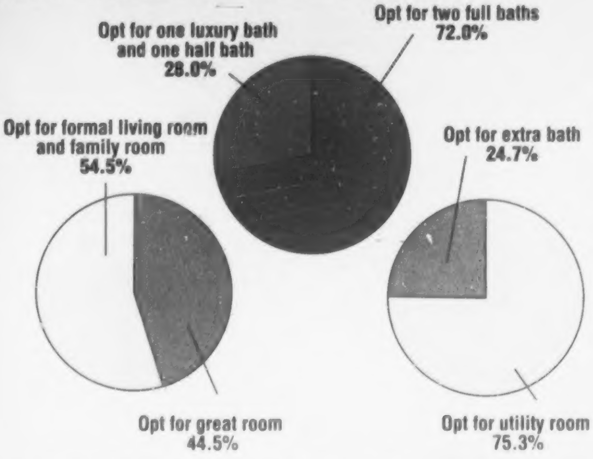
Most consumers say they might consider an attached home if it offered privacy at the rear of the unit, had energy-saving features and provided a sense of neighborhood. ☐

NEW HOME CONSUMERS

Consumers have definite ideas about what items builders should include in the purchase price of a new home.

WHAT CONSUMERS WOULD CHOOSE, IF GIVEN THE OPTION

Where square footage is limited, buyers must choose what rooms or spaces are important to them. Here are their choices.



WHAT KITCHEN ITEMS SHOULD BE STANDARD?

For the most part, builders and consumers agree on what features should be standard in the kitchen. Bulleted items below indicate at least a 15 percentage point difference in opinion.

Kitchen Features	Consumers Want	Builders Offer
Carpeted floor	8.1%	7.5%
Ceramic tile countertop	30.4%	24.8%
Ceramic tile floor	20.4%	27.7%
Ceramic tile walls	9.9%	7.3%
Dishwasher	82.5%	95.2%
Enamel/porcelain sink	28.7%	40.8%
Fluorescent lighting	51.2%	42.8%
Garbage disposal	65.0%	79.8%
*Laminate countertop	45.8%	65.1%
*Microwave oven	42.9%	58.4%
Pantry	65.9%	66.3%
Range/oven	91.6%	88.3%
*Refrigerator	63.5%	44.2%
Self-cleaning oven	68.0%	68.7%
*Single-handle faucet	59.4%	84.0%
Stainless-steel sink	63.1%	55.2%
Trash compactor	15.5%	17.4%
*Two-handle faucet	28.7%	8.7%
Two sinks	52.7%	38.8%
Vinyl floor	71.3%	65.3%

HOW MANY WANT FIRST-FLOOR MASTER SUITE

60% OF ALL BUYERS

More than 60% of all buyer groups wants the master suite located on the first floor.

WHAT BATH ITEMS SHOULD BE STANDARD?

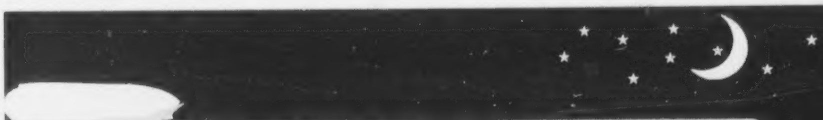
In some cases, builders and consumers disagree on what items should be standard for a bath. Bulleted items below indicate at least a 15 percentage point difference in opinion.

Bath Features	Consumers Want	Builders Offer
Bathroom heater	35.6%	23.0%
Bidet	3.1%	5.4%
Ceramic tile floor	47.8%	50.4%
Ceramic tile walls	43.9%	34.3%
Ceramic tile vanities	17.3%	18.1%
*Colored fixtures	24.0%	43.8%
Compartmentalized bath	17.2%	16.5%
Dressing area	19.3%	33.9%
Exhaust fan	65.6%	91.5%
*Linen storage cabinets	78.3%	60.5%
*Medicine cabinet	86.1%	59.3%
Mirrored walls	22.5%	27.4%
*Safety features	39.2%	17.5%
Sauna	2.6%	2.0%
Skylight	19.8%	28.4%
Tub/shower door	67.1%	64.1%
*Whirlpool	12.0%	39.5%
White fixtures	36.5%	48.8%
Vanity with one bowl	51.0%	39.5%
*Vanity with two bowls	38.3%	58.3%

WHAT DESIGN ELEMENTS TO INCLUDE

Space for storage ranks as the most desirable element in a new home, be it in the form of a linen closet, a garage or a pantry. Bulleted items indicate at least a 15 percentage point in opinion.

Essential Design Elements	Consumers Want	Builders Offer As Standard
Built-in furniture	32.6%	18.5%
*Cathedral ceilings	43.3%	65.7%
*Combination office/hobby room	44.3%	28.3%
Covered entries	66.0%	56.7%
Dramatic window treatments	25.9%	17.6%
*Entertainment center	28.3%	12.6%
*Fitness center	17.2%	2.0%
Full-time home office	29.2%	NA
Garden bath	16.5%	7.0%
In-law suite	16.9%	NA
Interior lofts, balconies	19.6%	27.0%
Linen closet	84.3%	NA
Multipurpose rooms	60.4%	NA
Oversized master bath	46.1%	NA
Pantry	73.5%	NA
Patio	72.5%	67.0%
Plant shelves, niches	20.9%	NA
Porch	69.6%	62.8%
Raised, flat ceilings	37.8%	45.0%
Space for family entertainment	70.1%	NA
Space for formal entertaining	34.4%	NA
Storage space in garage	80.7%	NA
*Sun room	32.3%	9.8%
Two closets in master suite	63.6%	NA



WHAT TO INCLUDE IN MASTER SUITE

Master-Suite Essentials	All Consumers
Walk-in closet	82.7%
Private bath	77.1%
Separation from other bedrooms	57.5%
Dressing/make-up area	30.0%
Balcony or patio	18.2%
Mirrored doors	17.9%
Sitting area	14.1%
Fireplace	9.9%

HOW TO MERCHANDISE SECONDARY BEDROOMS

Buyers can think of many uses for extra bedrooms. Here's a list of their favorites.

Top 5 Uses For An Extra Bedroom	
Guest bedroom	71.6%
Den/library/office	61.3%
Hobby/sewing room	36.4%
Computer room	24.1%
Exercise room	17.0%

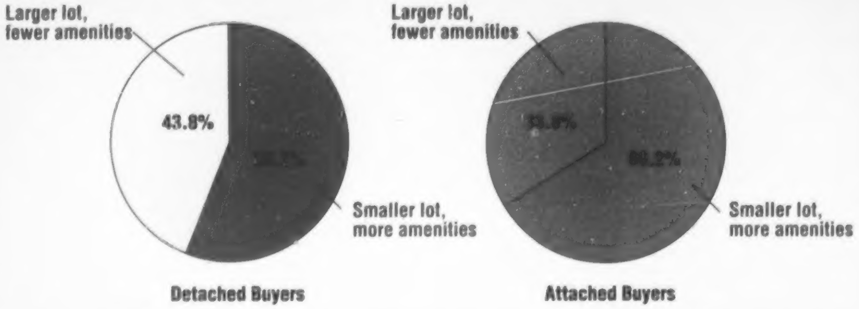
Consumer preferences range from lot size and number of amenities to type of basement and size of garage.

WHAT TYPE GARAGE TO PROVIDE

Type Of Garage	Buyers Of Detached	Buyers Of Attached
One-car garage	8.5%	12.3%
One-and-a-half-car-garage	4.5%	9.7%
Two-car-garage	68.5%	40.0%
Three-or-more-car garage	12.9%	7.1%

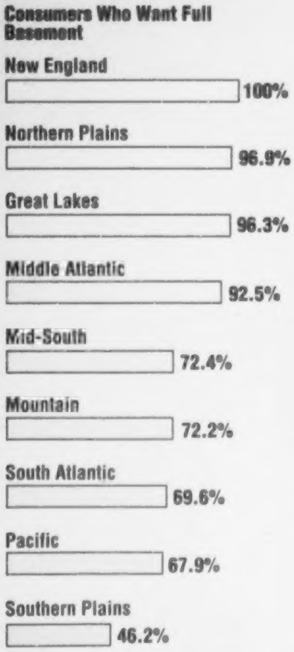
DO BUYERS PREFER AMENITIES OVER LAND?

If asked to make a trade-off, most consumers say they would accept a smaller lot if their new home had more amenities.

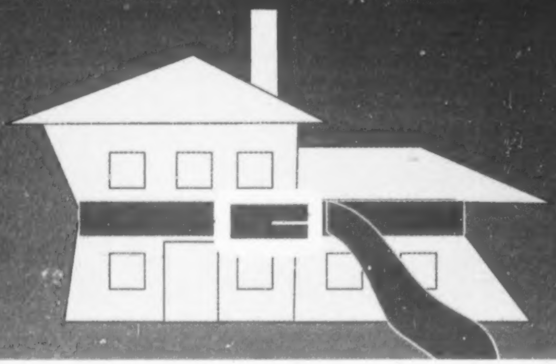


HOW CONSUMERS RATE FULL BASEMENT OPTION

Full basements are becoming a priority in many regions. Buyers in New England accept nothing less.



DON'T COMPROMISE WHEN IT COMES TO SPACE



Nearly two-thirds of buyers prefer a larger home with fewer amenities to a smaller home with more amenities.

Not everybody wants a whirlpool, French doors or a ceramic-tile entry, but many buyers would be willing to pay extra for a screened porch, upgraded carpeting, a swimming pool, laundry appliances, a rec room and a lawn-sprinkling system.

WHAT BUYERS WILL SPEND ON OPTIONS

Many builders have gained a competitive edge by offering, as standard, features that consumers will find particularly desirable. The following list shows which options buyers want and which ones builders include in the selling price.

	Customers Who Want	Builders Who Offer As Standard
$12,000 to $20,000 options		
Recreation room in basement	53.7%	9.3%
Swimming pool	53.7%	3.3%
$6000 to $12000 options		
Complete landscaping	56.1%	57.7%
Screened porch or Florida room	57.9%	10.0%
$3000 to $6000 options		
Additional powder room	16.7%	25.7%
Fireplace	79.5%	67.6%
Hot tub	33.1%	2.5%
$1600 to $2000 options		
Air conditioning	77.4%	68.5%
Bay window	33.1%	31.3%
Bidet	3.7%	4.4%
French doors	25.7%	39.0%
Front-yard landscaping	30.4%	56.2%
Insulated basement walls	26.3%	33.4%
Sauna	7.3%	1.2%
Security system	36.0%	20.1%
Storm windows	53.4%	19.7%
Whirlpool bath	24.3%	34.2%
$1200 to $1500 options		
Hardwood floors	49.0%	27.8%
Kitchen barbecue grilltop	15.7%	14.9%
Solar water heating	27.1%	0.2%
Tub and separate shower	43.3%	54.4%
Yard fencing	48.4%	14.5%
$1000 to $1200 options		
Central vacuum system	29.3%	14.7%
European-style cabinets	10.5%	15.8%
Laundry appliances	60.3%	13.7%
Wet bar	17.1%	17.0%
Zoned heating/cooling system	62.9%	51.7%
$800 to $1000 options		
Closet shelf system	38.5%	49.8%
Double-glazed windows	49.2%	82.0%
Intercom system	16.1%	12.2%
Patio roof	27.6%	12.9%
Water softener	26.1%	6.4%
Upgraded carpeting	58.2%	26.3%

	Customers Who Want	Builders Who Offer As Standard
$500 to $800 options		
Concrete patio	27.3%	46.9%
Extra large tub	27.6%	36.9%
Patio decking	39.9%	47.3%
Paved driveway	69.6%	74.9%
Refrigerator	54.5%	33.6%
Skylights	38.2%	42.1%
$300 to $500 options		
Automatic humidifier	24.9%	8.5%
Built-in cabinets	31.3%	15.8%
(not kitchen)	30.6%	50.8%
Ceramic tile entry	35.8%	33.2%
Ceramic tile walls in bath	22.2%	9.3%
Electronic air filter	56.2%	56.2%
Garage door opener	23.3%	7.7%
Greenhouse window	39.7%	19.1%
Lawn-sprinkling system	36.2%	50.4%
Microwave oven	30.3%	36.9%
Oversized tub	22.5%	9.3%
Patio privacy fence	33.7%	15.4%
Power attic ventilator	39.2%	14.7%
Storm door	24.0%	77.4%
Wood sliding/patio door		
$100 to $300 options		
Built-in antenna/wall jacks	48.7%	70.5%
Ceiling fan	60.3%	53.3%
Clock-controlled thermostat	30.9%	24.7%
Closet organizers	31.2%	49.8%
Decorative exterior door	26.3%	61.6%
Dimmer switches	31.0%	38.4%
Energy-saving water heater	67.4%	72.0%
Exterior shutters	18.2%	45.4%
Gas outlet at fireplace	24.5%	31.3%
Interior shutters	7.4%	1.7%
Mirrored doors	15.3%	NA
Outdoor lighting	45.4%	46.3%
Patio grill	19.9%	1.7%
Self-cleaning oven	56.1%	71.4%
Separate cooktop	16.6%	NA
Shower enclosure	32.6%	61.2%
Smoke/fire alarm system	65.4%	84.0%
Sump pump	18.0%	24.7%
Trash compactor	19.4%	15.8%
Water-saving faucet	37.3%	56.6%
Water-saving shower heads	41.9%	63.5%

WANT MORE INFORMATION?

For a full report of what consumers say they are looking for in new homes, and what builders say they offer, send for the complete consumer and builder surveys. Compiled by the independent research firm, National Family Opinion Inc., the consumer data is the result of a survey of 822 households. The builder results emerge from a survey of 498 builders.

The studies may be purchased together for $450 or separately for $320 each. Send check or money order to: *Professional Builder & Remodeler*, P.O. Box 5080, Des Plaines, Ill. 60017-5080.

BUYERS WILL PAY FOR SPECIAL FEATURES

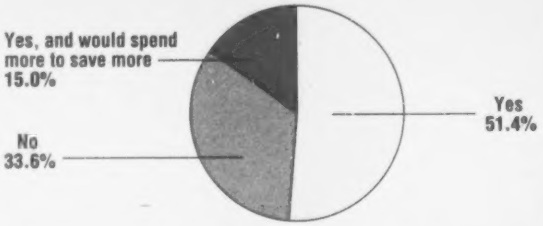
Research shows that buyers are concerned with the way their new homes will "live." Consumers take an interest in the latest technologies and features that will save them time, energy and expense.

For example, half of buyers say they would pay $3000 upfront for additional low-maintenance materials that would save $500 a year on maintenance costs. Buyers with annual incomes totaling more than $20,000 are most likely to spend the extra money.

Nearly 60% of consumers say they would spend an extra $1500 for added energy-efficient products in their new home that would save them $250 per year on heating and cooling costs. This percentage

WILL BUYERS PAY EXTRA TO SAVE ON MAINTENANCE?

■ *Would you spend an extra $3000 on low-maintenance materials to save $500 per year on maintenance?*



HOW IMPORTANT IS A HEALTHY HOUSE?

■ *The public's concern about air quality is reflected in a growing desire for healthy homes. In this year's survey, 66.7% say they would like to have healthy-house features like a whole-house ventilation system, a dry basement, vented appliances, humidity control, a filtration system and radon mitigation.*

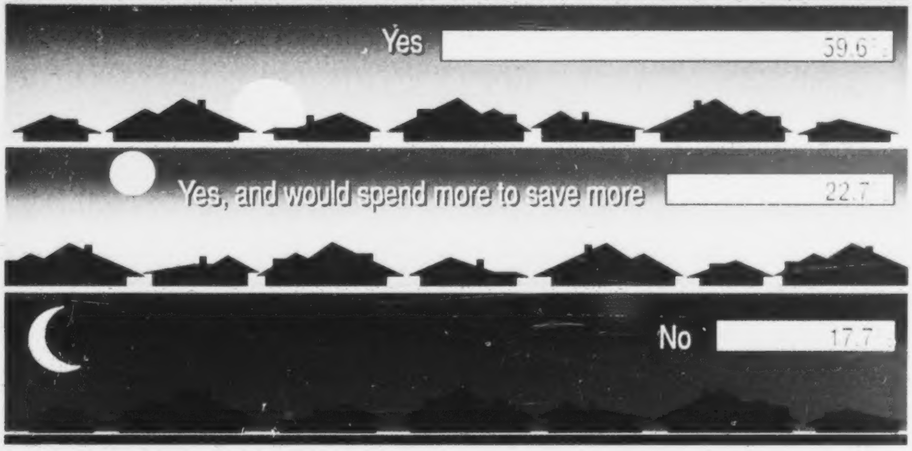
Average Price Consumers Will Pay For Healthy-House Features:	
First-time buyers	$1350
Move-up buyers	$1530
Empty nesters	$1320
Retirees	$1398

HOW IMPORTANT IS AN INTELLIGENT HOUSE?

Intelligent House Features	% Consumer Who Want	Avg. Price Will Pay
Security/safety	69.0%	$1007
Energy management	68.7%	$1071
Entertainment	45.3%	$935
Communications	43.4%	$656
Service/data	38.6%	$609

WILL BUYERS PAY EXTRA FOR ENERGY EFFICIENCY?

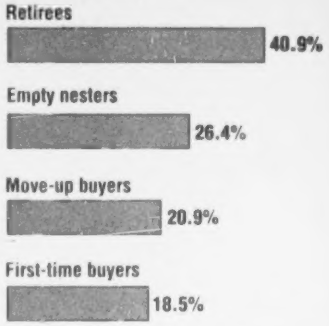
Would you spend an extra $1500 for energy-efficient products to save $250 per year on heating and cooling costs?



WHAT ABOUT ADAPTABLE HOUSE FEATURES?

■ ***Builders would be wise to consider in items like wider doorways, ramps and space for wheelchairs under sinks.***

Want Adaptable Housing Features



HOW TO SHOW YOUR COMMITMENT TO SAVING ENERGY

■ ***Most buyers prefer a written guarantee or warranty to confirm the builder's claims about energy-saving features.***

How Consumers Determine Builder's Credibility	
Ask for guarantee/warranty	67.0%
Conduct a visual inspection	60.7%
Ask for literature	52.1%
Look for brand names	41.4%
Ask others who bought from builder	40.7%
Compare with other homes	35.9%
Get independent evaluation	35.9%

HOW IMPORTANT ARE CHILD-SAFETY FEATURES?

■ ***Consumers are becoming increasingly aware of the importance and need for child-safety features.***

Child-Safety Features	Consumers Who Want
Anti-scald devices in faucets	49.4%
Spring-loaded locks on electrical receptacles	40.3%
Monitoring intercom	25.3%
Lowered handrail and safety gate	29.0%
Rounded corners on countertops	14.3%

varies little among the different regions of the country.

Having a healthy house also rates high among buyers. Fifty percent of consumers say they would like to have one or more healthy-house feature and would spend $1430 to have them.

An intelligent house is important to about 45% of today's buyers. These consumers would spend $1000 for a security and safety system or an energy-management system.

Child-safety features are also important to consumers. Nearly 50% of new home buyers say they want faucets with anti-scald devices. About 40% want spring-loaded locks on their electrical receptacles. □

BUYERS NOTICE SALES TACTICS

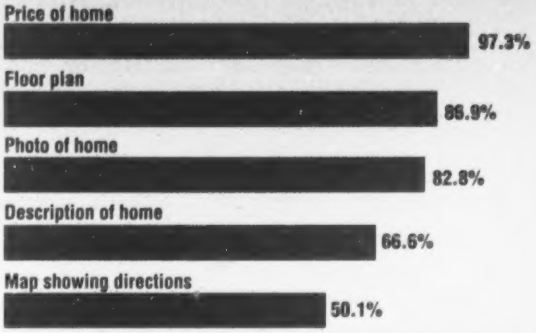
If you haven't had your sales staff shopped lately, you might want to do so. For the second year in a row, two-thirds of buyers say they are turned off by selling tactics.

And 58% of buyers say they react negatively to the attitude of sales staffs. Respondents complain that salespeople either use too much pressure (36%), or ignore them (56%).

Real estate brokers represent the source buyers use most frequently to find new homes (65%). Those consumers who search for new homes in the newspaper say that builders should make sure their ads include: the price, photo and description of the home, floor plan and a map with directions. ☐

WHAT CONSUMERS LOOK FOR IN ADVERTISEMENTS

A good real estate ad must include the price of the house, say 97% of consumers. Other important elements, summarized below, include a floor plan, a photo and a description of the home.



HOW DOES YOUR SALES PRESENTATION STACK UP?

Although most consumers like builders' model homes and sales offices, many give the sales staffs low marks.

What Turns Off Buyers	
Selling tactics	66.1%
Attitude, approach of sales staff	57.5%
Cost of home	54.1%

HOW BUYERS FIND NEW HOMES

Top 5 Information Sources For New Homes	
Real estate broker	65.0%
Newspaper or classified ads	54.9%
Advice from friends	28.3%
Billboards/for-sale signs	21.8%
Parade of homes	16.9%

DOES YOUR SALES STAFF MAKE THE GRADE?

Consumers have high standards for salespeople in model homes. Note how they rate salespeople, then try rating your own staff, based on the quiz below.

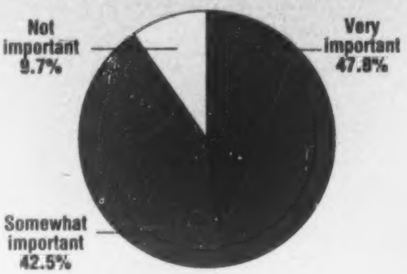
Did the sales staff:	Most	Some	Few
*Present the basic advantages of the home and community?	45.7%	42.7%	11.6%
*Point out hidden values of the home?	40.4%	40.0%	19.5%
*Point out benefits not offered by the competition?	24.5%	45.0%	30.4%
*Treat me like a person, with professionalism and honesty?	34.7%	46.0%	19.4%
*Use too much pressure, act too pushy?	24.6%	39.4%	36.0%
*Show no interest in me as a customer?	16.8%	44.0%	39.2%
*Show they were not knowledgeable about the homes?	14.2%	43.2%	42.6%
*Ignore me and not make me feel welcome?	8.1%	35.6%	56.4%

Buyers say the kitchen makes the biggest impression on them in a model home. Builders should respond by providing the best kitchen possible.

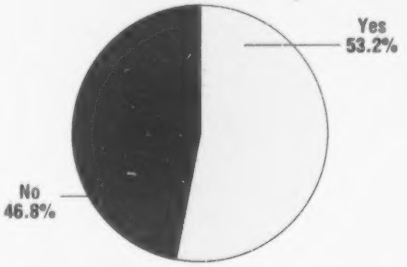
IS AN INSURED WARRANTY A MARKETING ADVANTAGE?

Only 40% of surveyed builders offer an insured warranty, but nearly half of all consumers say they wouldn't consider buying a home without one.

How Important To Consumers Is An Insured Warranty?

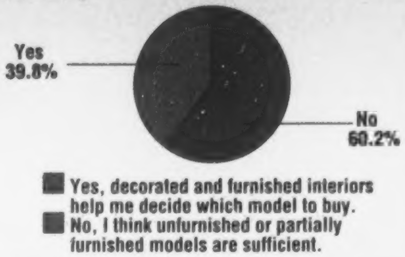


Would Consumers Consider Buying A Home Without An Insured Warranty?



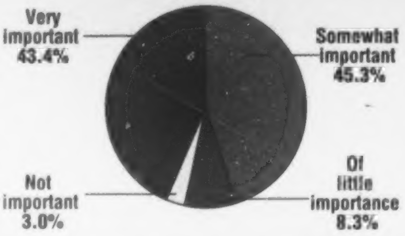
IS IT NECESSARY TO MERCHANDISE DISPLAY MODELS?

The majority of consumers says that builders need not furnish their display models; buyers can determine which model to purchase without the decorating.



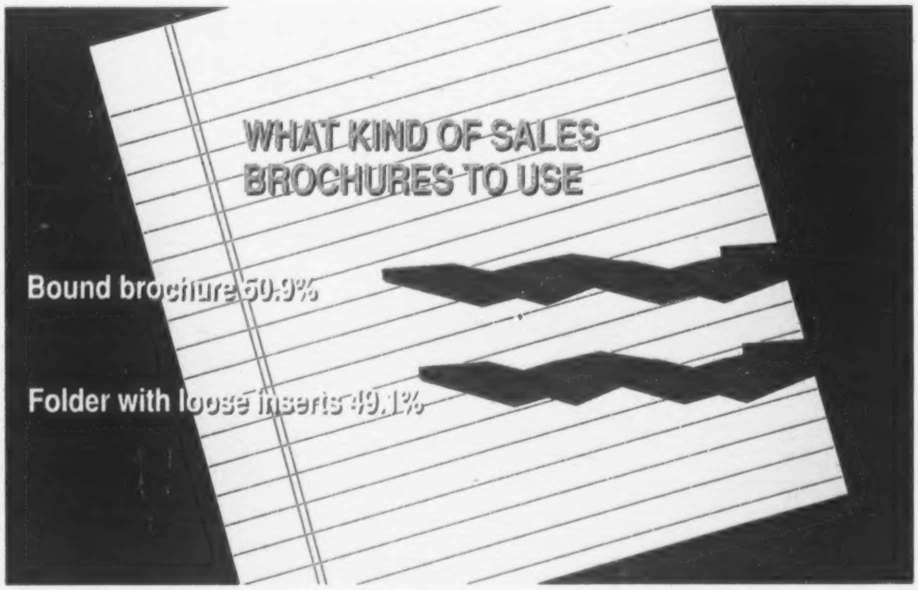
HOW IMPORTANT ARE ENVIRONMENTAL ISSUES?

Nearly 90% of consumers say that environmental factors (saving of trees and endangered species) are important to them when they buy a new home.



WHAT MOST IMPRESSES MODEL VISITORS?

What Most Influences Your Impression Of A Model?	
Kitchen	38.8%
Open floor plan	34.6%
Master bedroom	9.3%
Living room	7.8%
Family room	5.9%
Master bath	3.2%
Volume ceilings	3.2%
Entry	2.7%
Other	5.5%



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MID-OCTOBER 1992

SPECIAL ISSUE:

PB&R's 3rd Remodeling Consumer Survey

How To Meet Client Demand In 1993... 8

Industry Pros Use Survey To Create Remodeling Ideas... 32

Product Showcase: Capitalize On Consumer Demand... 46

CAHNERS PUBLICATION

Turn This Issue Over For New Housing Ideas

PB&R

REMODELING CONSUMERS

Contents

Editorial 5

Editor Bill Schober takes readers through some of the highlights of this special issue.

PB&R's Remodeling Survey: How To Meet Client Demand 8

Our third annual remodeling survey is a valuable tool for any builder who does remodeling work, with a focus on major additions & alterations. This story provides a detailed profile of consumers planning to remodel.

Industry Pros Create Consumer Targeted Remodeling Ideas 32

To help illustrate our Consumer Remodeling Survey, we assigned three teams of pros to analyze the results and create "idea projects." The three projects shown here are a kitchen, bath and room addition.

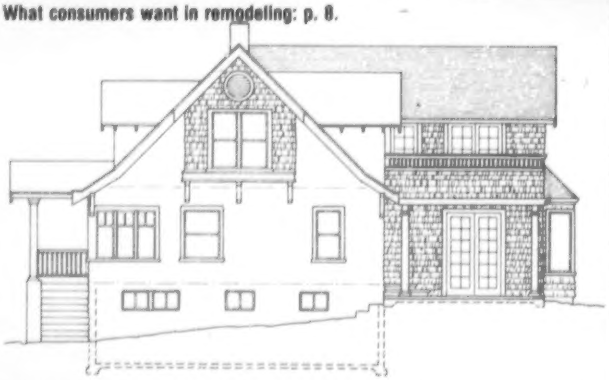
Product Showcase 46

Here are a variety of recently introduced products in categories ranging from structural materials to modern luxury amenities.

Reader Service Card 59

To get information from the manufacturers in this issue, please use the response card.

What consumers want in remodeling: p. 8.



Remodeling ideas for today's clients: p. 32.

Exciting new products: p. 46.

PROFESSIONAL BUILDER & REMODELER SALES OFFICES

NEW ENGLAND/ESSEX, CT
P.O. Box 849
Essex, CT 06426
203/767-9034
John Morse, District Manager

SOUTHEAST/ATLANTA, GA
6520 Powers Ferry Road., Suite 395
Atlanta, GA 30339-2911
404/955-6500
Clare Stefan, District Manager

MIDWEST/DES PLAINES, IL (Including Texas)
Cahners Plaza
1350 E. Touhy Avenue
Des Plaines, IL 60018-3358
708/635-8800
Blayne Long, Associate Publisher/Director of Sales & Marketing
Paul Gillen, District Manager
Patty Horn, District Manager
Joseph E. Modaff, District Manager
Cathy Keeler, Classified

NORTHWEST/PORTLAND, OR
1750 S.W. Skyline Blvd., Box 8
Portland, OR 97221-2533
503/297-3382
E. Patrick Dakin,
Regional General Manager

SOUTHWEST/NORTHWEST-IRVINE, CA
18818 Teller Avenue, #210
Irvine, CA 92715-1615
714/851-9422
Mark Sheldon, District Manager

MID-ATLANTIC/ROSELAND, NJ
103 Eisenhower Parkway
Roseland, NJ 07068-1089
201/228-8600
Ted Rzempoluch, District Manager

CANADA
Fenn Co. Inc.
148 King Road East
King City, Ontario
LOG 1KO Canada
416/833-6200

PROFILE OF CONTRACTOR RESPONDENTS

Average annual sales volume:
$1,080,000
Average number of
employees: 7.6
Type of work:
New construction 46.4%
Residential
remodeling 42.2%
Non-residential
remodeling 11.3%

Geographic Location:
Great Lakes 21.7%
Mid-Atlantic 17.6%
South Atlantic 16.9%
Pacific 15.2%
New England 7.7%
Southern Plains 6.8%
Mountain 6.1%
Northern Plains 6.0%
Mid-South 1.7%

PROFILE OF CONSUMER RESPONDENTS

Average household
income $56,100

Average household size 2.9

Average age 47
38.0% male
62.0% female

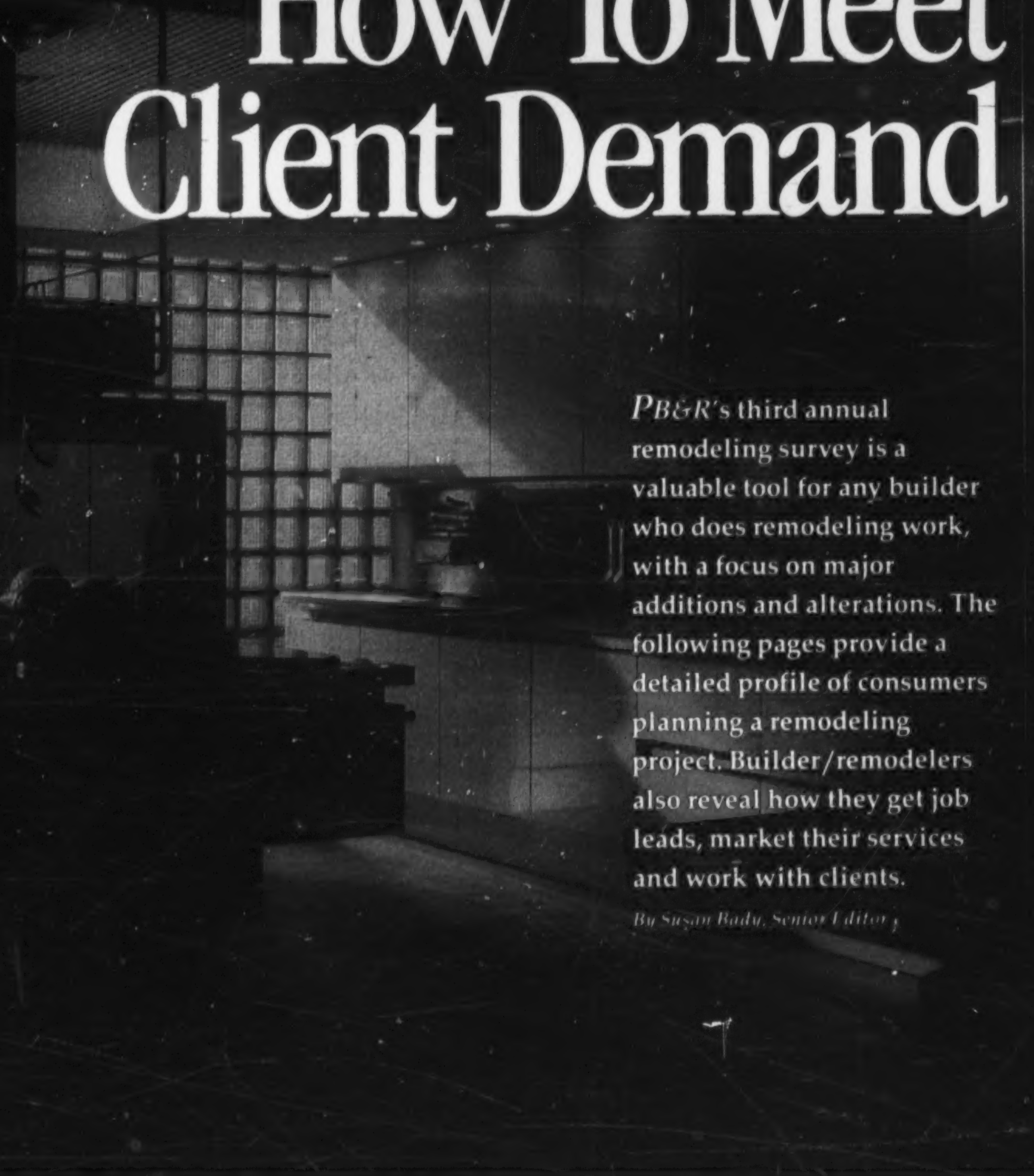
Geographic Location:
Great Lakes 21.0%
Mid-Atlantic 16.8%
South Atlantic 15.5%
Pacific 13.2%
Northern Plains 8.9%
Southern Plains 8.2%
New England 6.5%
Mid-South 5.3%
Mountain 4.6%

PB&R's Remodeling Survey

How To Meet Client Demand

PB&R's third annual remodeling survey is a valuable tool for any builder who does remodeling work, with a focus on major additions and alterations. The following pages provide a detailed profile of consumers planning a remodeling project. Builder/remodelers also reveal how they get job leads, market their services and work with clients.

By Susan Bady, Senior Editor



HOW CONSUMERS PLAN PROJECTS

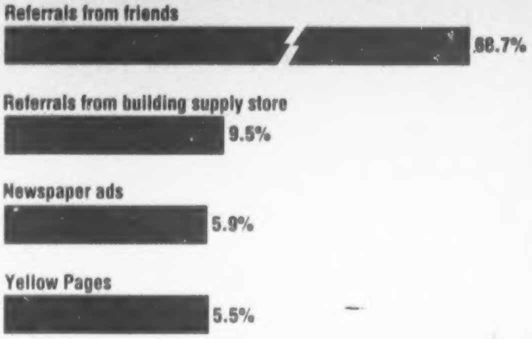
Kitchens and bathrooms are perennial favorites on the list of rooms to be remodeled. Forty percent of consumer respondents said bath remodeling was their top priority this year.

Generally speaking, the older the house, the more inclined consumers are to remodel wet rooms, and they usually do so within the first year or two of ownership. From an economic standpoint, this is a sound move. Of all remodeling jobs, kitchen and bath renovations add the most value to a home.

Consumers avidly read magazines for remodeling ideas and take notes on remodeling work done in their friends' homes. Some homeowners get advice from contractors and

HOW DO CONSUMERS FIND CONTRACTORS?

■ *Referrals from friends often dictate the consumer's choice of remodeler, but more consumers are turning to building supply retailers for referrals as well.*



HOW MANY YEARS HAVE YOU OWNED YOUR HOME?

■ *Consumers have owned their homes an average of 9.7 years.*

Years Owned Home	
Less than 1 year	6.7%
1 to 2 years	8.7%
3 to 5 years	16.9%
6 to 10 years	19.8%
11 to 14 years	11.4%
15 or more years	36.6%

TOP FIVE REMODELING JOBS PLANNED

Remodel bathroom	40.0%
Remodel kitchen	36.6%
Room addition	22.6%
Redo exterior	10.3%
Enclose porch / patio / breezeway	9.5%

tour new model homes.

Consumers aren't price-shopping on addition/alteration remodeling jobs as much as they are looking for quality construction and a reliable, reputable builder. High-quality work ranked No. 1 on the list of criteria for contractor selection by about 70% of respondents.

The greater the market value of the home, the more likely it is the owner will retain the services of an architect.

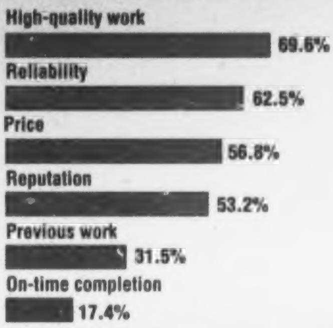
Consumers value their friends' opinions and experiences, and usually select a contractor based on referrals from satisfied customers. Some rely on referrals from building supply stores.

Cash is the primary financing vehicle for consumers who remodel. About 30% of respondents owning homes in the $200,000 to $299,000 price range said they would use a home equity loan. Fully 35% of consumers in the Southern Plains region said they would take out a home improvement loan. □

HOW DO CONSUMERS EVALUATE CONTRACTORS?

■ *Although high-quality work is still the top criterion, reputation ranked higher this year.*

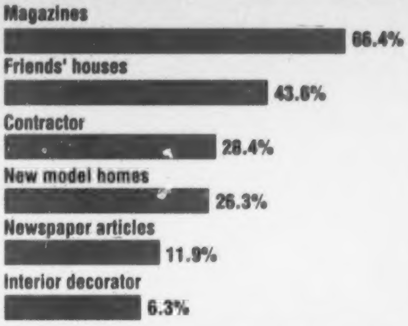
Base Judgment On:



WHERE DO CONSUMERS GET IDEAS FOR PROJECTS?

■ *Magazines are the best vehicles for conveying remodeling ideas.*

Find Ideas From:



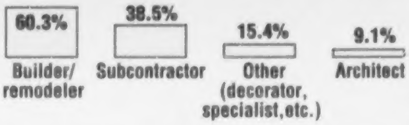
WHAT IS THE TOTAL SQUARE FOOTAGE OF YOUR HOME?

■ *Homes average 1824 square feet.*

Size Of Home	
Less than 1000 sq. ft.	5.6%
1000 to 1199 sq. ft.	9.4%
1200 to 1499 sq. ft.	21.4%
1500 to 1799 sq. ft.	18.6%
1800 to 2199 sq. ft.	18.6%
2200 to 2599 sq. ft.	13.5%
2600 to 2999 sq. ft.	6.1%
3000 sq. ft. or more	6.8%

WHO WILL CONSUMERS HIRE TO DO THE WORK?

■ *As the market value of the home increases, so does the likelihood consumers will hire an architect as well as a builder to do the work.*



REMODELERS: HOW DO CLIENTS FINANCE JOBS?

■ *Of the following, the most frequently used are cash and home equity loans, according to remodelers.*

Payment Methods	
Cash	88.0%
Home equity loan	69.1%
Home improvement loan	63.3%
Second mortgage	41.6%
Refinance original mortgage	39.2%
Construction loan	34.2%
Credit union	29.7%
FHA loan	5.2%
Financed by remodeler	4.0%

REMODELING CONSUMERS

About 45% want more storage space in the bath. Walls, doors and windows are often moved or added.

Bathroom remodeling isn't just a matter of cosmetic work these days. It's almost taken for granted that plumbing fixtures, countertops and cabinets will be replaced, but consumers are not just updating, they're expanding. Structural work includes moving or adding walls, windows and doors.

Consumers in the West expect to pay more to remodel a bath, which is no doubt a consequence of high material and labor costs in that region. □

WHAT'S INCLUDED IN A BATH REMODEL?

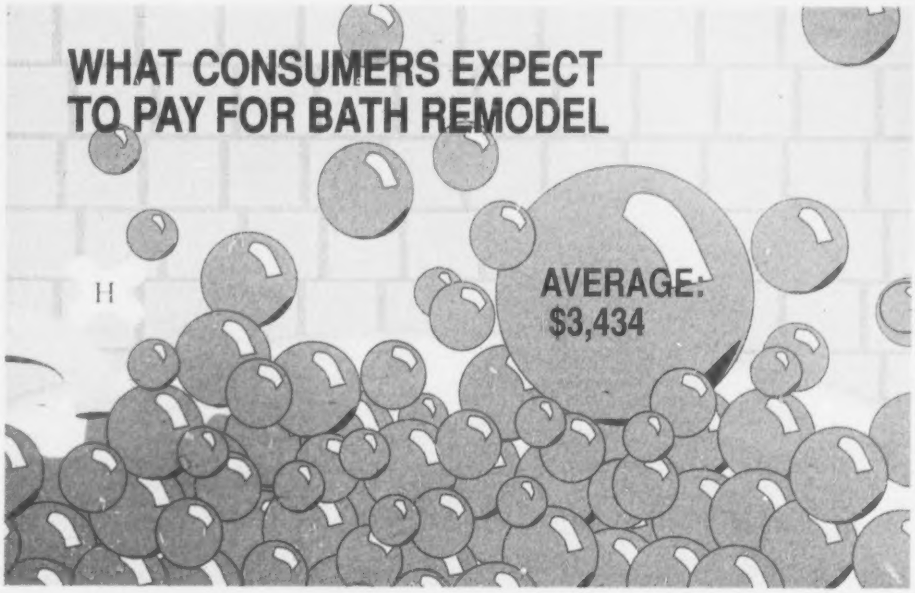
■ *Floors, cabinets, and sink/faucets are the top three items consumers plan for their bath projects. New plumbing fixtures, flooring and countertops are the items most often included, according to contractors.*

% Remodelers	% Consumers	% Remodelers
Sink/faucets	76.9%	94.0%
Flooring	82.7%	93.8%
Countertops	67.5%	93.5%
Tub/shower	66.4%	91.4%
Cabinets	79.8%	89.6%
Lighting	48.0%	89.3%
Toilet/bidet	26.6%	86.7%
Wall(s)	32.8%	58.9%
Window(s)	29.1%	72.7%
Door(s)	27.6%	59.6%
Skylight(s)	24.6%	38.8%
New secondary (full) bath	23.1%	—
Add bath to master bedroom	20.9%	39.1%
Walk-in closet	19.4%	19.5%
Utility closet	18.7%	25.0%
New powder room	9.0%	—
Laundry appliances	8.2%	14.8%

WHAT CONSUMERS EXPECT TO PAY FOR BATH REMODEL, BY HOME VALUE

■ *Not surprisingly, consumers expect to pay more for their bathroom remodel if their homes have a higher market value.*

	Home Market Value In Thousands				
Cost	Under $65	$65 to $99	$100 to $199	$200 to $299	$300 plus
Less than $1000	31.5%	29.1%	14.0%	3.1%	—
$1000 to $1999	26.3%	19.0%	15.1%	15.6%	21.1%
$2000 to $4999	30.4%	38.0%	34.4%	37.5%	31.6%
$5000 & over	9.8%	13.9%	36.6%	43.8%	47.4%
Average	$1911	$2742	$4087	$5220	$7484


WHAT CONSUMERS EXPECT TO PAY FOR BATH REMODEL
H
AVERAGE: $3,434

TOP BATH MODIFICATIONS PLANNED BY CONSUMERS

■ *Over three-fourths of consumers plan to upgrade the cabinetry in their bathroom. About 45% will increase storage space.*

Project Planned	
Upgrade cabinetry	77.0%
Increase storage space	44.9%
Expand existing bath	23.0%
Remove walls	18.5%
Expand outside fndtion	10.6%
Increase ceiling height	7.9%
Open to vaulted ceiling	4.9%
Make a garden bath	3.6%

REMODELING CONSUMERS

According to contractors, the average bath remodel will cost twice as much as consumers think.

Homeowners who expect to pay an average of $3400 to remodel a bath are greatly underestimating the cost, according to contractors, who reported that the average bath remodel costs $6800. Consumers' product choices are listed in the chart on this page. □

PRODUCTS CONSUMERS WANT IN REMODELED BATH

	Home Market Value In Thousands				
	Under $65	$65 to $99	$100 to 199	$200 to $299	$300 plus
Walls					
Wallpaper	48.1%	41.4%	42.3%	41.2%	35.0%
Ceramic tile	26.0%	42.5%	38.1%	44.1%	40.0%
Paint	43.3%	44.8%	35.1%	55.9%	50.0%
Mirrored	6.7%	8.0%	7.2%	8.8%	15.0%
Marble	1.9%	2.3%	2.1%	5.9%	—
Floors					
Ceramic tile	21.2%	31.0%	42.3%	50.0%	70.0%
Vinyl	46.2%	29.9%	25.8%	17.6%	15.0%
Carpeted	21.2%	17.2%	11.3%	5.9%	—
Marble	1.9%	1.1%	5.2%	2.9%	5.0%
Wood	1.0%	2.3%	7.2%	2.9%	5.0%
Cabinets					
Medicine	47.1%	39.1%	43.3%	38.2%	40.0%
Wood	32.7%	35.6%	41.2%	41.2%	30.0%
Custom-made	13.5%	24.1%	17.5%	35.3%	30.0%
Linen storage	27.9%	23.0%	15.5%	23.5%	20.0%
Laminate-face	9.6%	9.2%	11.3%	5.9%	15.0%
National mfr.	16.3%	11.5%	17.5%	23.5%	5.0%
Faucets/fixtures					
2-handle faucet	42.3%	33.3%	45.4%	41.2%	55.0%
Plumbing fixtures	31.7%	34.5%	33.0%	44.1%	25.5%
Single-handle faucet	24.0%	31.0%	30.9%	35.3%	40.0%
Tub/shower					
Tub/shower door	38.5%	32.2%	35.1%	38.2%	35.0%
Water-saving shower heads	29.8%	37.9%	37.1%	32.4%	30.0%
Separate shower	9.6%	19.5%	24.7%	38.2%	25.0%
Whirlpool	6.7%	11.5%	11.3%	23.5%	10.0%
Vanity					
One bowl	56.7%	54.0%	66.0%	58.8%	50.0%
Two bowl	8.7%	12.6%	7.2%	20.6%	25.0%
Countertops					
Laminate	20.2%	18.4%	28.9%	8.8%	10.0%
Marble/granite	14.4%	16.1%	15.5%	26.5%	20.0%
Solid surface	15.4%	11.5%	22.7%	29.4%	15.0%
Ceramic tile	10.6%	17.2%	13.4%	14.7%	45.0%
Lighting					
Fluorescent	25.0%	23.0%	29.9%	26.5%	15.0%
Recessed	13.5%	18.4%	17.5%	38.2%	40.0%
Track	6.7%	12.6%	11.3%	5.9%	15.0%
Closets					
Shelving	23.1%	21.8%	16.5%	17.6%	30.0%
Walk-in	3.8%	9.2%	4.1%	5.9%	15.0%
Laundry/utility	9.6%	6.9%	6.2%	11.8%	5.0%
Toilet/bidet					
Compartmentalized	24.0%	26.4%	22.7%	—	—
Bidet	5.8%	3.4%	1.0%	23.5%	25.0%
Windows					
Skylight	5.8%	10.3%	10.3%	11.8%	25.0%
Bay	6.7%	5.7%	4.1%	5.9%	15.0%
Misc.					
Exhaust fan	42.3%	41.4%	36.1%	58.8%	30.0%
Safety features	17.3%	16.1%	16.5%	11.8%	15.0%
Bathroom heater	20.2%	12.6%	13.4%	11.8%	10.0%
Ceiling fan	9.6%	14.9%	10.3%	8.8%	5.0%
Pedestal lav	6.7%	4.6%	6.2%	11.8%	10.0%
Siding	5.8%	9.2%	4.1%	2.9%	5.0%
Roofing	5.8%	6.9%	5.2%	2.9%	25.0%
Dressing area	1.9%	8.0%	3.1%	—	5.0%
Sauna	1.9%	3.4%	—	—	—
Intercom	1.0%	1.1%	2.1%	2.9%	—
Fireplace	1.9%	4.6%	3.1%	—	—
Garden bath	1.9%	4.6%	2.1%	—	10.0%
Fitness equipment	1.9%	1.1%	—	—	—
Appliance garage	—	1.1%	2.1%	—	—

WHAT CONSUMERS EXPECT TO SPEND ON BATH REMODEL

■ *Overall, consumers expect to spend an average of $3434 on their bathroom remodel.*

Under $5000	21.0%
$1000 to $1999	20.3%
$2000 to $4999	34.3%
$5000 & over	24.4%
National average	$3434

WHAT REMODELERS SAY BATH REMODEL WILL COST

■ *The pros say consumers underestimate the cost of bath remodeling by half.*

Under $5000	50.8%
$5000 to $10,000	30.4%
$10,000 to $15,000	13.0%
$15,000 to $25,000	3.3%
$25,000 to $35,000	1.4%
$35,000 to $50,000	0.5%
$50,000 to $65,000	0.5%
National average	$6800

HOW CONSUMERS GET THE JOB DONE

Kitchens in older homes tend to suffer from bad floor plans. Nearly half of consumers who own houses that are more than 40 years old are planning to alter the kitchen layout, in addition to upgrading the lighting, cabinets and appliances.

At the other end of the age spectrum, 40% of the owners of homes which are eight years old or less, plan to expand the kitchen outside the home's foundation.

Eat-in kitchens are preferred by the majority of consumers. Even in larger, more expensive homes, a kitchen with either a table or countertop area for dining is preferable to a separate breakfast room.

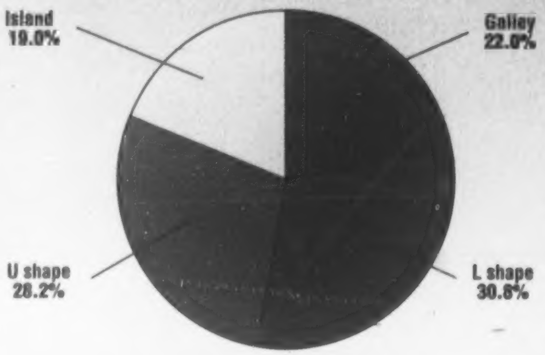
Some distinct regional preferences emerged from the list of desired kitchen additions. For example, about 21% of consumers in the Southern Plains states wanted a walk-in pantry, compared to 8% overall.

The average cost of a kitchen remodel, according to all consumer respondents, is $6789. That figure may not be as unrealistic as it sounds, since many consumers are planning only cosmetic work (replacing cabinets, countertops, etc.). Still, the projection is far below the remodelers' estimate of $11,600.

Products consumers want in their remodeled kitchens are listed on the following page. □

CONSUMERS' FAVORITE KITCHEN DESIGN

■ *An L-shaped kitchen is preferred by most consumers.*



WHAT'S INCLUDED IN A KITCHEN REMODEL?

■ *Flooring is the number one kitchen amenity consumers will replace. Contractors say new cabinets and countertops are usually part of the job.*

Feature	% Consumers	% Remodelers
Cabinets	79.1%	96.7%
Countertops	81.0%	96.4%
Flooring	82.9%	94.9%
Sink/faucets	73.7%	94.8%
Lighting	63.2%	89.7%
Built-in appliances	44.0%	68.7%
Free-standing appliances	27.8%	41.8%
Windows	26.1%	80.3%
Door(s) to outside	13.7%	59.0%
Utility closet	13.2%	39.7%
Skylight/roof window	12.0%	42.8%
Breakfast nook	9.0%	43.1%
Walk-in pantry	8.1%	37.7%
Laundry area	6.4%	25.4%
Second range/oven	6.4%	17.4%
Divider wall(s)	6.0%	30.0%

WHAT CONSUMERS EXPECT TO PAY FOR KITCHEN REMODEL

AVERAGE:
$6,789

TOP KITCHEN MODIFICATIONS PLANNED BY CONSUMERS

■ *A cabinetry upgrade is in order for 79% of consumers.*

Project Planned:	
Upgrade cabinetry	79.0%
Increase cabinet space	56.6%
Upgrade appliances	55.9%
Change floor plan	38.9%
Remove walls	20.3%
Expand outside fndtion	12.2%
Combine with dining room	8.1%
Combine with family room	3.7%
Increase ceiling height	3.4%

WHAT CONSUMERS EXPECT TO PAY FOR KITCHEN REMODEL, BY HOME VALUE

■ *The higher the market value of the home, the higher the cost of the kitchen remodel.*

	Home Market Value in Thousands				
Cost	Under $65	$65 to $99	$100 to $199	$200 to $299	$300 plus
Under $1000	16.7%	4.0%	5.4%	3.2%	—
$1000 to $1999	15.4%	13.3%	6.5%	9.7%	—
$2000 to $4999	46.2%	45.3%	28.0%	19.4%	13.0%
$5000 to $9999	15.4%	17.3%	35.5%	16.1%	21.7%
$10,000 to $19,999	6.4%	18.7%	19.4%	41.9%	21.7%
$20,000 and over	—	1.3%	5.4%	9.7%	43.5%
Averages	$3334	$5007	$6621	$9808	$20,356

WHAT CONSUMERS EXPECT TO SPEND ON KITCHEN REMODEL

■ *Overall, consumers expect to pay an average of $6789 to remodel the kitchen.*

Under $1000	7.3%
$1000 to $1999	10.3%
$2000 to $4999	34.9%
$5000 to $9999	22.6%
$10,000 to $19,999	18.3%
$20,000 and over	6.6%
National average	$6789

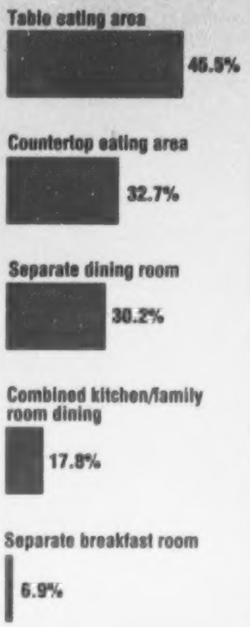
WHAT REMODELERS SAY KITCHEN REMODEL WILL COST

■ *Consumer estimates of kitchen remodeling costs are well below remodelers' projections: $6789 versus $11,600.*

Under $5000	26.6%
$5000 to $10,000	27.3%
$10,000 to $15,000	23.3%
$15,000 to $25,000	14.9%
$25,000 to $35,000	5.3%
$35,000 to $50,000	1.3%
$50,000 to $75,000	0.5%
$75,000 to $100,000	0.5%
National average	$11,600

EATING ARRANGEMENTS FAVORED BY CONSUMERS

■ *Over half of consumers who have owned their homes less than a year want a table eating area in their kitchen.*



REMODELING CONSUMERS

PRODUCTS CONSUMERS WANT IN REMODELED KITCHEN

	Home Market Value in Thousands				
	Under $65	$65 to $100	$100 to $199	$200 to 299	$300 plus
Walls					
Ceramic tile	6.1%	15.6%	17.0%	22.6%	20.0%
Marble	—	1.3%	—	—	—
Paint	54.9%	55.8%	49.0%	61.3%	64.0%
Wallpaper	45.1%	36.4%	45.0%	64.5%	28.0%
Floors					
Carpeted	9.8%	5.2%	5.0%	6.5%	4.0%
Hardwood	4.9%	11.7%	9.0%	9.7%	16.0%
Ceramic tile	14.6%	16.9%	24.0%	19.4%	28.0%
Marble	—	2.6%	1.0%	—	—
Vinyl	58.5%	53.2%	48.0%	61.3%	28.0%
Cabinets					
Custom-made	24.4%	35.1%	28.0%	38.7%	20.0%
Laminate-face	9.8%	11.7%	15.0%	12.9%	16.0%
Locally fabricated	18.3%	15.6%	11.0%	12.9%	28.0%
National mfr.	14.6%	11.7%	18.0%	12.9%	8.0%
Wood	29.3%	27.3%	30.0%	29.0%	36.0%
European-style	4.9%	6.5%	6.0%	19.4%	8.0%
Countertops					
Butcher block	9.8%	16.9%	7.0%	6.5%	8.0%
Laminate	41.5%	39.0%	48.0%	41.9%	8.0%
Solid surface	13.4%	13.0%	15.0%	32.3%	20.0%
Ceramic tile	9.8%	13.0%	12.0%	12.9%	32.0%
Marble/granite	3.7%	7.8%	8.0%	12.9%	24.0%
Appliances					
BBQ grill	—	1.3%	3.0%	6.5%	12.0%
Built-in microwave	14.6%	26.0%	27.0%	22.6%	44.0%
Built-in oven	15.9%	23.4%	21.0%	29.0%	64.0%
Built-in refrigerator	6.1%	11.7%	13.0%	9.7%	48.0%
Dishwasher	35.4%	41.6%	51.0%	48.4%	64.0%
Garbage disposal	23.2%	23.4%	35.0%	35.5%	60.0%
Range/oven	24.4%	33.8%	32.0%	45.2%	72.0%
Refrigerator	24.4%	24.7%	22.0%	41.9%	20.0%
Restaurant range	1.2%	2.6%	2.0%	—	—
Trash compactor	2.4%	3.9%	9.0%	3.2%	32.0%
Hot water dispenser	19.5%	2.6%	6.0%	9.7%	24.0%
Self-cleaning oven	—	26.0%	33.0%	48.4%	52.0%

	Home Market Value in Thousands				
	Under $65	$65. to $100	$100 to $199	$200 to 299	$300 plus
Sinks/faucets					
Enamel/porcelain	7.3%	11.7%	17.0%	38.7%	52.0%
Second sink	2.4%	5.2%	2.0%	3.2%	32.0%
Single-handle faucet	31.7%	29.9%	33.0%	67.7%	60.0%
Stainless steel sink	41.5%	44.2%	38.0%	25.8%	28.0%
Two-handle faucet	14.6%	9.1%	20.0%	6.5%	8.0%
Water-saving faucets	20.7%	15.6%	16.0%	9.7%	28.0%
Colored faucets	—	2.6%	5.0%	16.1%	4.0%
Double sink	42.7%	42.9%	43.0%	41.9%	52.0%
Triple sink	2.4%	—	3.0%	—	20.0%
Lighting					
Fluorescent	26.8%	41.6%	36.0%	41.9%	32.0%
Recessed	9.8%	19.5%	24.0%	41.9%	52.0%
Track	9.8%	10.4%	8.0%	3.2%	20.0%
Under cabinet	22.0%	22.1%	29.0%	38.7%	24.0%
Windows					
Bay	9.8%	1.3%	7.0%	9.7%	16.0%
Greenhouse	2.4%	14.3%	14.0%	9.7%	20.0%
Skylight	2.4%	7.8%	13.0%	19.4%	8.0%
Exterior	26.8%	16.9%	15.0%	22.6%	28.0%
Doors					
Exterior	20.7%	11.7%	11.0%	19.4%	24.0%
French	4.9%	5.2%	10.0%	6.5%	12.0%
Interior	12.2%	6.5%	6.0%	22.6%	20.0%
Island					
With cooktop	3.7%	10.4%	4.0%	9.7%	16.0%
With sink	2.4%	3.9%	3.0%	3.2%	24.0%
Misc.					
Built-in eating counter	11.0%	16.9%	16.0%	12.9%	16.0%
Built-in table	3.7%	3.9%	4.0%	3.2%	8.0%
Laundry/utility closet	9.8%	2.6%	2.0%	6.5%	8.0%
Lazy susan	15.9%	13.0%	13.0%	22.6%	16.0%
Pantry	12.2%	19.5%	17.0%	41.9%	44.0%
Appliance garage	9.8%	1.3%	3.0%	6.5%	12.0%
Warming drawer	1.2%	—	—	—	4.0%
Locksets	1.2%	1.3%	1.0%	3.2%	8.0%
Thermostats	1.2%	1.3%	—	3.2%	4.0%
Insulation	20.7%	11.7%	14.0%	16.1%	32.0%
Closet shelving	7.3%	16.9%	14.0%	22.6%	16.0%
Intercom	—	—	2.0%	6.5%	—
Ceiling fan	22.5%	20.7%	29.9%	19.0%	12.0%
HVAC system	8.5%	3.9%	2.0%	3.2%	8.0%
Roofing	15.9%	6.5%	5.0%	9.7%	12.0%
Siding	9.8%	5.2%	2.0%	3.2%	—
Desk	1.2%	9.1%	7.0%	9.7%	8.0%

ROOM ADDITIONS SERVE MANY PURPOSES

Consumer and remodeler respondents agreed that the average room addition is about 400 square feet. But the reasons for adding space varied widely.

About half of consumers who own newer houses (eight years old or less) are adding one or more bedrooms. Nearly 30% owning homes that are 64 or more years old wished to enlarge the kitchen.

Space for family entertaining was a highly rated design feature among all consumers. About 42% of consumers whose homes are valued at $300,000 or more intend to add a home office.

Consumers estimated a room addition would cost $16,770, or about half of what remodelers estimated. □

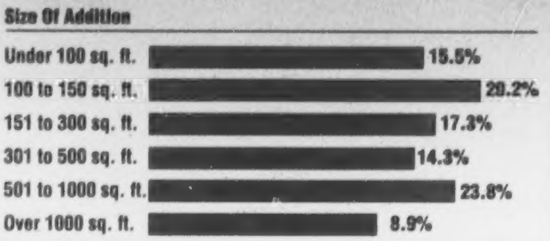
WHY DO CONSUMERS WANT TO ADD SPACE?

■ *About 35% owning homes under 1200 square feet plan to create a great room. About 32% with homes of 2600 square feet or more are interested in a sun room.*

Need Extra Space:	
To add a bedroom	28.7%
To enlarge or add a bath	28.1%
To create a great room	23.4%
To create a master suite	16.8%
To enlarge a kitchen	15.0%
To create a sun room	9.0%
To add a screened porch	9.0%

HOW MUCH SPACE DO CONSUMERS WANT TO ADD?

■ *Consumers plan to add an average of 418 square feet of space to their home.*



WHAT REMODELERS SAY ROOM ADDITION WILL COST

Under $5000	19.4%
$5000 to $10,000	7.4%
$10,000 to $15,000	12.6%
$15,000 to $25,000	22.7%
$25,000 to $35,000	16.9%
$35,000 to $50,000	11.2%
$50,000 to $75,000	6.3%
$75,000 to $100,000	2.2%
$100,000 to $200,000	0.8%
Over $200,000	0.5%
National Average	$25,400

CONSUMERS RATE ROOM ADDITION DESIGN ELEMENTS

■ *Sun rooms or greenhouse rooms, ranked second last year, are considerably lower on the list.*

Desired Features	
Family entertaining space	47.9%
Raised, flat ceilings	24.3%
Space for home office	20.8%
Home entertainment center	18.8%
Vaulted ceilings	18.8%
Plant shelves/niches	18.1%
Living space for relative	13.9%
Built-in furniture	13.2%
Window treatments	13.2%
Formal entertaining space	11.1%
Sun room/greenhouse	10.4%
Covered entries	9.0%

PRODUCTS CONSUMERS WANT IN ROOM ADDITION

	Home Market Value In Thousands				
	Under $65	$65 to $99	$100 to $199	$200 to $299	$300 plus
Flooring					
Carpet	65.6%	62.0%	57.8%	57.9%	61.5%
Vinyl	39.1%	30.0%	26.7%	36.8%	23.1%
Ceramic tile	6.3%	22.0%	15.6%	26.3%	23.1%
Hardwood	3.1%	12.0%	20.0%	26.3%	23.1%
Marble	1.6%	—	—	—	—
Windows					
Other windows	59.4%	52.0%	53.3%	68.4%	38.5%
Skylight(s)	7.8%	16.0%	31.1%	36.8%	23.1%
Bay	15.6%	16.0%	6.7%	15.8%	30.8%
Decorative	12.5%	12.0%	17.8%	15.8%	15.4%
Greenhouse	3.1%	8.0%	6.7%	5.3%	7.7%
Sun room	—	14.0%	—	21.1	—
Walls					
Paint	76.6%	72.0%	64.4%	84.2%	76.9%
Wallpaper	28.1%	42.0%	44.4%	63.2%	38.5%
Ceramic tile	7.8%	12.0%	17.8%	21.1%	15.4%
Marble	—	2.0%	2.2%	—	7.7%
Doors					
Interior	51.6%	62.0%	62.2%	52.5%	53.8%
Exterior	54.7%	52.0%	48.9%	73.7%	46.2%
Patio	17.2%	30.0%	11.1%	31.6%	38.5%
Garage	7.8%	18.0%	6.7%	10.5%	15.4%
Roofing					
Asphalt fiber-glass shingles	70.3%	68.0%	55.6%	42.1%	23.1%
Cedar shingles/shakes	3.1%	4.0%	2.2%	—	15.4%
Metal tile	3.1%	2.0%	2.2%	—	7.7%
Clay tile	—	—	2.2%	5.3%	—

	Home Market Value In Thousands				
	Under $65	$65 to $99	$100 to $199	$200 to $299	$300 plus
Siding					
Wood	29.7%	26.0%	28.7%	21.1%	23.1%
Vinyl	21.9%	22.0%	20.0%	10.5%	7.7%
Brick/Masonry	21.9%	28.0%	4.4%	21.1%	7.7%
Aluminum/metal	15.6%	4.0%	4.4%	5.3%	—
Wood shakes/shingles/plywood	6.3%	10.0%	4.4%	5.3%	—
Hardboard	4.7%	4.0%	8.9%	5.3%	—
Lighting					
Fluorescent	40.6%	34.0%	35.6%	42.1%	15.4%
Recessed	23.4%	30.0%	22.2%	42.1%	76.9%
Track	6.3%	14.0%	24.4%	26.3%	23.1%
Miscellaneous					
Insulation	54.7%	58.0%	62.2%	63.2%	38.5%
Ceiling fan	54.7%	60.0%	57.8%	42.1%	15.4%
Closet shelving	31.3%	34.0%	48.9%	47.4%	53.8%
Cabinets	35.9%	34.0%	37.8%	52.6%	30.8%
New heating system	6.3%	28.0%	26.7%	31.6%	23.1%
Air-conditioning system	15.6%	16.0%	22.2%	21.1%	15.4%
Decorative molding	14.1%	12.0%	22.2%	21.1%	30.8%
Thermostats	10.9%	16.0%	17.8%	26.3%	23.1%
Fireplace	10.9%	22.0%	8.9%	10.5%	30.8%
Central vacuum system	1.6%	10.0%	—	15.8%	7.7%
Door chimes	1.6%	2.0%	4.4%	—	7.7%

WHAT CONSUMERS EXPECT TO PAY FOR ROOM ADDITION, BY HOME VALUE

■ *Consumers whose homes have a market value of $300,000 or more expect to pay the most.*

	Home Market Value In Thousands				
Cost	Under $65	$65 to $99	$100 to $199	$200 to $299	$300 plus
Under $5000	38.0%	5.7%	8.3%	8.3%	14.3%
$5000 to $9999	28.0%	28.6%	25.0%	—	—
$10,000 to $19,999	16.0%	40.0%	16.7%	16.7%	14.3%
$20,000 to $29,999	12.0%	14.3%	33.3%	8.3%	14.3%
$30,000 and over	6.0%	11.4%	16.7%	66.7%	57.1%
Average	$10,023	$15,564	$17,417	$33,548	$41,143

HOW OLD ARE THE HOMES YOU RENOVATE?

■ *Builder/remodelers report doing whole-house renovations cn residences averaging 38.9 years in age.*

Age Of Home	
Less than 10 years	2.3%
10 to 15 years	8.6%
16 to 30 years	34.8%
31 to 45 years	23.8%
46 to 65 years	16.2%
66 to 90 years	9.7%
90 or more years	4.6%

REMODELING CONSUMERS

Most homeowners will paint and do cleanup work. Fewer will do plumbing and electrical work.

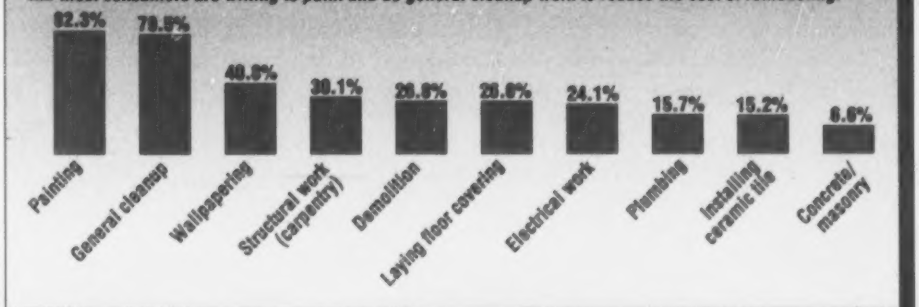
About 68% of consumers said they intended to do some of the remodeling work themselves. Most homeowners planned to paint and do cleanup.

Consumers are more realistic about the time it takes to remodel a kitchen or bath, but they need to be educated about room additions. Consumer predictions of a 2-to-4-week completion are in line with remodeler estimates for kitchens and baths. However, remodelers said a room addition takes an average of eight weeks.

Products consumers want to include in their room additions are listed on the following page. ☐

WHAT WORK WILL CONSUMERS DO THEMSELVES?

Most consumers are willing to paint and do general cleanup work to reduce the cost of remodeling.



HOW LONG REMODELERS SAY IT WILL TAKE

Consumer estimates for completion of kitchen and bath jobs are in line with remodeler estimates. But room additions may take longer than consumers think; average time is 8.1 weeks, remodelers say.

	Kitchen Remodel	Bath Remodel	Room Addition
Less than 2 weeks	18.2%	33.3%	1.3%
2 to 4 weeks	45.6%	46.9%	18.2%
5 to 7 weeks	25.5%	13.6%	34.0%
8 to 10 weeks	8.3%	5.3%	28.2%
11 to 16 weeks	1.8%	0.5%	12.1%
17 to 24 weeks	0.3%	—	4.0%
More than 24 weeks	0.3%	0.3%	2.1%
Average # of weeks	4.2	3.2	8.1

HOW LONG CONSUMERS SAY IT WILL TAKE

A little more than one-fourth of consumers believe their remodeling jobs will take two to four weeks.

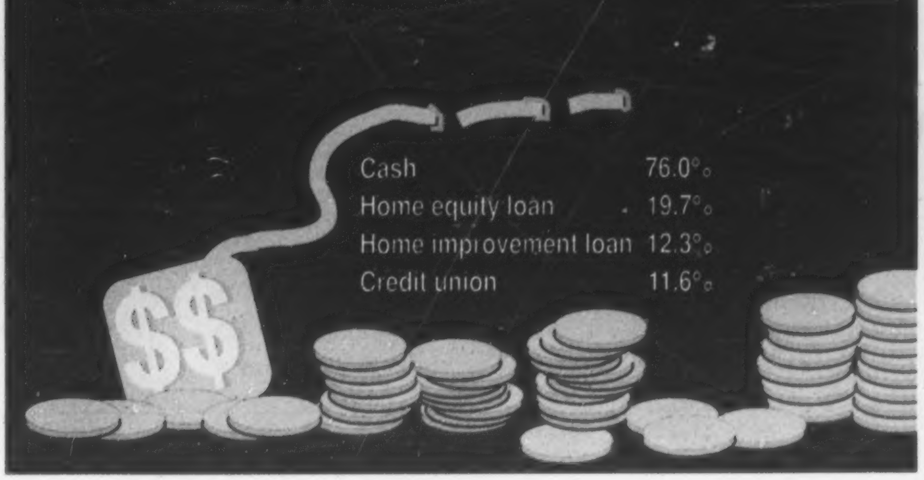
Less than 2 weeks	20.9%
2 to 4 weeks	27.0%
5 to 7 weeks	16.3%
8 to 10 weeks	15.6%
11 to 16 weeks	9.4%
17 to 24 weeks	2.4%
More than 24 weeks	8.3%
Average # of weeks	7.4

TOP FIVE REMODELING JOBS DONE BY CONTRACTORS

Room additions, kitchens and baths are the three jobs that account for the largest portion of work done by contractor respondents.

Kitchens	89.4%
Room additions	87.7%
Baths	87.4%
Exterior work	74.4%
Whole-house renovation	69.6%

HOW DO CONSUMERS FINANCE REMODELING WORK?



Cash	76.0%
Home equity loan	19.7%
Home improvement loan	12.3%
Credit union	11.6%

WORK HARDER TO SELL EXTRA SERVICES

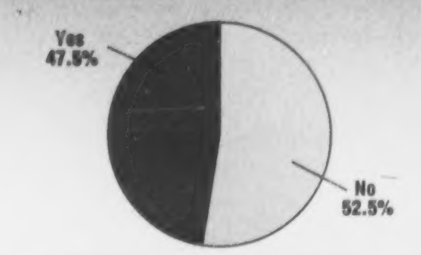
About 62% of remodeling contractors said they offer design services, decorating services or both to their customers. Remodelers need to get the word out about these services to keep their clientele from going elsewhere.

About half of contractor respondents remodel houses they originally built. This type of work, which has proven profitable for a number of large production builders, could be a steady source of business for smaller contractors as well.

About 94% of remodelers said referrals from previous clients were the best way to generate job leads. The second best is referrals from architects, according to about 37% of remodelers. ☐

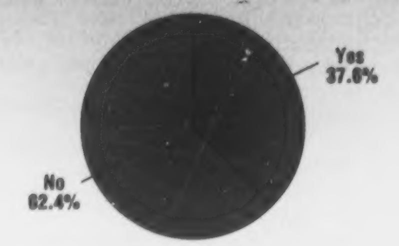
DO CONTRACTORS REMODEL HOMES THEY BUILT NEW?

A little less than half of builder respondents solicit remodeling work from clients whose homes they originally built.



IS THIS A CONSISTENT SOURCE OF BUSINESS?

More than a third of respondents say remodeling homes they built new is a consistent source of business.



REMODELERS PROVIDE MORE THAN ONE SERVICE

About 62% of surveyed remodelers said they offer design and/or decorating services to their customers. This is a significant increase from last year's survey, when only 43.2% of remodelers reported offering these services. About 11% of surveyed consumers said their contractors also offered financing.

About half the builders surveyed said remodeling has become more important to their business.

About two-thirds of the remodelers surveyed said they offer an insured warranty or guarantee to their customers. Warranties enhance the remodeler's reputation. They are also a marketing advantage, said approximately 41% of respondents.

Half of remodelers in the Mid-South region said they use warranties for legal protection and because their customers demand it.

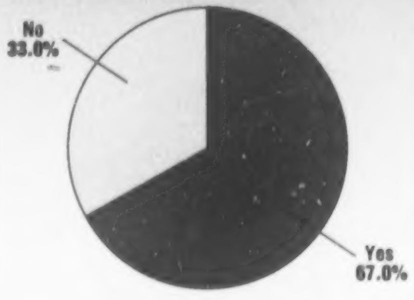
This year, a slightly higher percentage of remodelers reported using presentation books (38%), and sales centers or showrooms (12%) as marketing tools.

Has remodeling become more important to the home builder's business in the last five years? Nearly half of all respondents said yes. In the Middle Atlantic and Southern Plains regions, more than 50% of respondents said yes. About 20% of respondents in the Mountain states said remodeling has become *less* important.

Builder respondents said an average of 50% of their sales volume is attributable to some type of remodeling (residential remodeling accounts for about 42%). Those with an annual sales volume under $500,000 generally do more remodeling than larger companies. ☐

DO REMODELERS OFFER INSURED WARRANTIES?

■ *About two-thirds of builder/remodelers surveyed say they offer an insured warranty on remodeling work.*



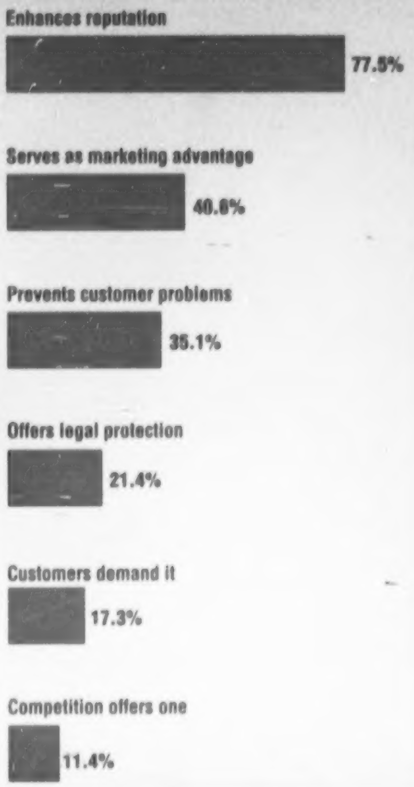
HOW MUCH OF CONTRACTOR'S BUSINESS IS REMODELING?

■ *On average, the 422 builders who responded to this survey said that residential remodeling work accounts for 42.2% of their annual sales.*

No remodeling activity	5.5%
1% to 24% of business	34.7%
25% to 49% of business	16.3%
50% to 74% of business	17.7%
75% to 99% of business	18.2%
100% of business	7.7%

WHY DO REMODELERS OFFER INSURED WARRANTIES?

■ *Insured warranties enhance reputation, many remodelers say. Others use warranties as a marketing tool.*



HOW DO REMODELERS MARKET THEMSELVES?

■ *Presentation books are used by 38% of remodelers. About 12% use sales centers or showrooms.*

Consumers say they control most product selections, but remodelers disagree.

Most contractors find the use of brand-name products in remodeling jobs is important to their customers. And about 44% of consumers said they value the opinions of the remodeler in making product selections.

But the majority of consumer respondents said *they* were the ones who would ultimately decide what brands of products to use in their remodeling jobs. According to these consumers, product selections would be made by the remodeler only about 30% of the time.

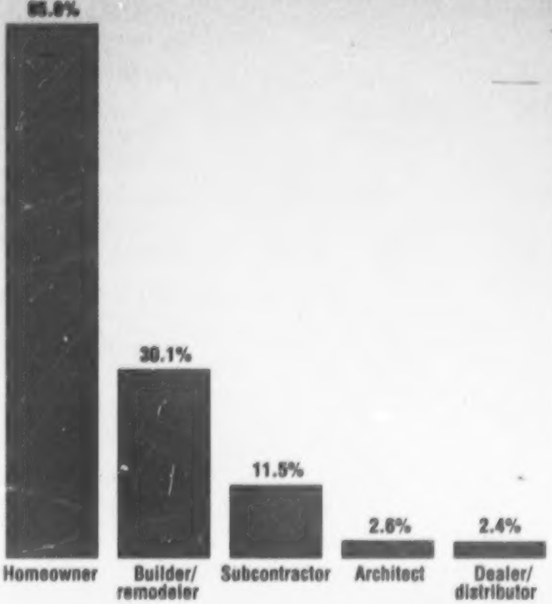
Builder respondents, however, said they handle product specifications about 65% of the time, on average, whereas the homeowner selects products only about 36% of the time. It could be that, overwhelmed by the remodeling process, consumers leave many decisions up to the contractor.

Remodelers with an annual sales volume over $5 million reported specifying almost 74% of the products used in an average remodeling job.

The remainder of product selections are made by the subcontractor (about 12%), the architect (about 3%) and the dealer/distributor (about 3%), according to all consumer respondents. Owners of homes valued at $300,000 or more said the architect specifies products 10% of the time. □

WHO WILL SPECIFY PRODUCTS, ACCORDING TO CONSUMERS?

■ ***Consumer respondents maintain that they are the ones who control most brand-name product selections.***



WANT MORE INFORMATION?

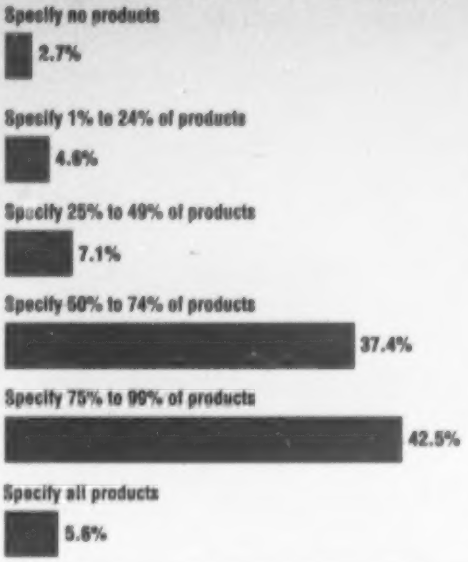
■ **For a full report of what consumers are looking for in a remodeling job, and what remodelers say they offer, send for the complete consumer and remodeler surveys. Compiled by the independent research firm, National Family Opinion Inc., the consumer data is the result of a survey of 1376 households. The builder results emerge from a survey of 422 builders by The Bureau of Building Marketing Research, *PB&R*'s marketing research affiliate. The studies may be purchased together for $450 or separately for $320 each.**

Send check or money order to:

Professional Builder & Remodeler,
P.O. Box 5080,
Des Plaines, Ill.
60017-5080.

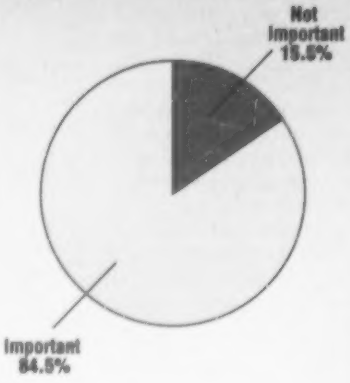
WHAT PERCENTAGE OF BRAND-NAME PRODUCTS DOES CONTRACTOR SPECIFY?

■ ***On average, builder/remodelers specify 64.5% of the brand-name products used in their remodeling jobs.***



HOW REMODELERS PERCEIVE BRAND-NAME PRODUCTS

■ ***Most contractors think it's important to use brand-name products in their remodeling jobs.***



REMODELING CONSUMERS

Insulating windows are the favorite energy-efficient product of remodelers nationwide.

On a nationwide basis, almost 91% of builder respondents feel they are conscious of energy efficiency in remodeling. But in some parts of the country, conserving energy is considered less important.

Half the builder respondents in the Mid-South states said they did not consider themselves energy-conscious (perhaps because of the moderate climate in that region).

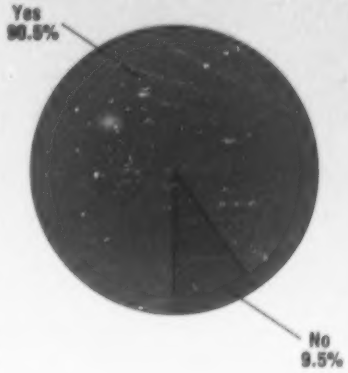
Low-E and/or insulating windows are specified by about 91% of energy-wise remodelers. Energy-saving water heaters and appliances rank second and third. Water-saving shower heads are popular with 83% of remodelers in the Pacific region, where conserving water resources is a top priority.

Builder respondents are highly diversified. Income from their building and remodeling activities is supplemented by such services as carpentry, landscaping and weatherization.

Carpentry and small job services are offered by a large proportion of builders in all regions. About 43% of builders in the Mid-South offer landscaping services. Weatherization services are offered by about 38% in the Northern Plains states. In the Great Lakes region, about 78% are reaping profits from small "handyman" jobs. ☐

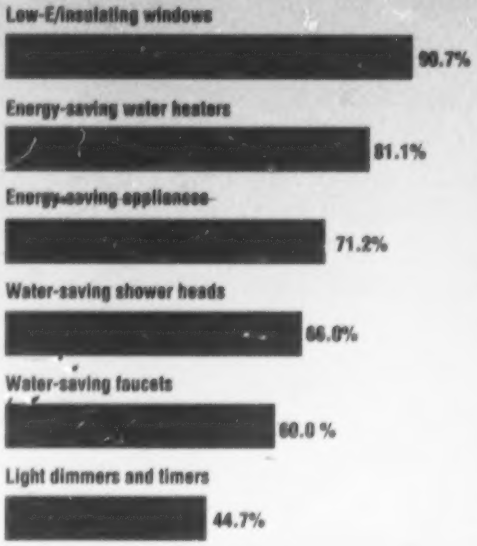
ARE REMODELERS ENERGY-CONSCIOUS?

Overall, energy efficiency is considered important by remodelers, but is less of an issue for those in the Mid-South region.



REMODELERS' FAVORITE ENERGY-EFFICIENT PRODUCTS

Nearly 91% of "energy-conscious" remodelers specify low-E and/or insulating windows.



WHAT RELATED AVENUES DO REMODELERS PURSUE?

The number of builder/remodelers who do small jobs and carpentry decreases as their sales volume increases, whereas the number who offer landscaping services increases with a rise in sales volume.

	Total Annual Sales Volume				
Service offered	Total Sample	Under $500,000	$500,000 to $1 mil.	$1 mil. to $5 mil.	Over $5 mil.
Landscaping service	20.4%	19.3%	21.7%	20.7%	40.0%
Carpentry service	89.9%	92.4%	86.7%	86.2%	73.3%
Small "handyman" jobs	70.9%	76.9%	66.7%	25.9%	53.3%
Weatherization service	30.2%	33.6%	23.3%	53.4%	26.7%
Other trade work	52.6%	47.9%	55.0%	67.2%	53.3%